



राजपत्र, हिमाचल प्रदेश

हिमाचल प्रदेश शासन द्वारा प्रकाशित

खंड V]

शिमला, शनिवार, 2 फरवरी, 1957

संख्या ५

सचिन

तारीख 2 फरवरी 1957 को समाप्त होने वाले सप्ताह में निम्नलिखित "असाधारण राजपत्र, हिमाचल प्रदेश" प्रकाशित हआ:—

विज्ञप्ति की संख्या	विभाग का नाम	विषय
No. El. 17-10/51, dated the 24th January, 1957	Election Department	Reproduction of the Notifications Nos. 429/16/54 and 429/16/56 (I), both dated 31-12-56, issued by the Election Commission of India, New Delhi.

भाग 1—वैधानिक नियमों को छोड़ कर हिमाचल प्रदेश के उपराज्यपाल और जुडिशल कमिशनरज़ कोर्ट द्वारा अधिसचिवाल इत्यादि

HIMACHAL PRADESH ADMINISTRATION

APPOINTMENTS DEPARTMENT

NOTIFICATIONS

NOTIFICATIONS
Simla-4, the 30th January, 1957

No. Admn. 8-40/54.—The Lieutenant Governor, Himachal Pradesh, is pleased to confirm the following Extra Assistant Commissioners in the scale of Rs. 250-25-300/30-510/30-600/40-800/50-850 against the 2 posts of Extra Assistant Commissioners (Judicial) created permanently *vide* this Secretariat letter of even number, dated the 29th January, 1957 with retrospective effect from the 1st July, 1954:—

1. Shri Jagat Pal Thakur (since Retd.)
2. Shri Sant Ram

2. Shri Sant Ram.
Their *inter se* seniority will be determined later on.

Simla-4, the 30th January, 1957

Sunday, the 29th January, 1957.

No. Admn. 8-40/54.—The Lieutenant Governor, Himachal Pradesh, is pleased to confirm the following Extra Assistant Commissioners in the scale of Rs. 250-25-300/30-510/30-600/40-800/50-850 against the 4 posts of Extra Assistant Commissioners (Executive) created permanently *vide* this Secretariat letter of even number, dated 29th January, 1957 with retrospective effect from the 1st July, 1954:—

From the 1st July, 1954.

1. Shri Bishan Dass.
2. Shri Tulsi Ram.
3. Shri Parkash Chand
4. Shri Tara Chand.

Their *inter se* seniority will be determined later on.

K. N. CHANNA, I.A.S.,
Chief Secretary.

AGRICULTURE DEPARTMENT

NOTIFICATION

Simla-4, the 30th January, 1957

No. Agr. 5-168/55.—The post of Shri Sukh Raj Sablok, Deputy Director of Extension is hereby re-designated as Deputy Director, Agriculture (Extension) with effect from the date of issue of this Notification.

A. B. MALIK, I.A.S.,
Secretary.

FOREST DEPARTMENT

NOTIFICATIONS

Simla-4, the 25th January, 1957

No. Ft. 45-76/56.—In amplification of Himachal Pradesh Government Notification No. Ft. 29-243/48, dated the 28th February, 1955, as modified *vide* corrigendum of even number, dated the 26th December, 1956, it is hereby clarified that Shri Lokindra Singh, P.F.S. (I) shall be deemed to be carrying on only the routine duties

Simla-4, the 28th January, 1957

No. Ft. 45-143/55.—Whereas it is considered necessary that the rights of private persons in the portion of the forests prescribed below shall remain suspended for a period of ten years for purposes of regeneration of bamboos and whereas the remainder of such forests are sufficient and in a locality reasonably convenient for the due exercise of the rights.

2. Now, therefore, in exercise of the powers conferred by section 30 (b) of the Indian Forest Act (XVI of 1927) as applied to Himachal Pradesh, the Lieutenant Governor, Himachal Pradesh, is pleased to declare that the portion of the demarcated (Protected) forests specified in the schedule appended to this Notification be closed for a period of 10 years from the date of issue of this Notification.

3. Further under clause (c) of section 30 of the said Act, the Lieutenant Governor, is pleased to prohibit from the date of issue of this Notification the collection or subjection to any manufacturing process or removal of all forest produce in or over such portion except with the permission in writing of the Forest Officer, Bilaspur (Himachal Pradesh).

SCHEDULE

Name of the Range	Name & No. of Forest Block	Area of the Forest	Name and No. of the Forest block	Area of the Compartment of the forest	Area closed	Boundary of the area closed
1	2	3	4	5	6	7
Naina Devi	Naina Devi No. 10.	6,789 acres	Saloa No. 9	213 acres	213 acres	NORTH: Boundary line of compartment No. 7-Khal. EAST: Boundary line of village Khal and Saloa. SOUTH: Boundary line of compartment No. 12-Rachhoh. WEST: Boundary line of compartment No. 10-Ghatewal.
Naina Devi	Naina Devi No. 10	6,789 acres	Rachhoh No. 12	188 acres	95 acres	NORTH: From Sidh Balian-wala along the Nala upto Dhig. EAST: Boundary line of village Kanfara. SOUTH: Boundary line of compartment No. 13-Kanfara. WEST: Boundary line of compartment No. 11-Guru-Ka-Lahore.
Naina Devi	Naina Devi No. 10	6,789 acres	Swana No. 20	132 acres	58 acres	NORTH: Boundary line of compartment No. 19-Jeora Thalian. EAST: Boundary line of village Swana. SOUTH: Forest path going from Swana to Galwa upto Duhga Galwa. WEST: From Duhga Galwa to Pipli Dachhapra and thence to Sihna Da-Bahlra upto Sehl Ki Duhar.
Naina Devi	Naina Devi No. 10	6,789 acres	Kalari No. 27 (S)	342 acres	26 acres	NORTH: Bariala Ki Ghar-Kallari side. EAST: Boundary line of village Oel. SOUTH: From Cho Kotlu upto Bariala Ka Bala Nala. WEST: From Bariala Ka Bala Nala upto Ghar Bariala.
Sadar	Rattanpur No. 12	348 acres	Jamli No. 1	150 acres	40 acres	NORTH: Ghordu Ki Nad to Johru-guge Nolu Ka Sarahna. EAST: Sidh Ki Nad, Khair Ka Ghat & along Gilru Ram's Chak upto Tikkar Ka Pand in V. Nerli. SOUTH & WEST: Along the line of demarcation & border of Village

1	2	3	4	5	6	7
Ghumarwin	Ghaniri No. 5	1,032 acres	Jhoroo No. 4	283 acres	102 acres	Neri, along Sihnu Ram's Tikkar Bang Nad to Ghadu. NORTH: From Saddle Rogi along the path to "Chor Ghat". WEST: From "Chor Ghat" to Banbho Ghat and thence along the ridge upto River Sutlej. SOUTH: From River Sutlej Sertibba to Chhapru-Mandhiali thence Basik Rodan and thence Sidh peak. EAST: From Sidh peak to Rugi Ka Ghat.
Ghumarwin	Ghaniri No. 5	1,032 acres	Kangral No. 5 (b)	176 acres	63 acres	NORTH: From Kakru Ka Ghat along the path to Dobata. WEST: From 'Dobata' along the 'Ridge' to boundary pillar Kawali and thence upto River Sutlej. SOUTH: River Sutlej. EAST: From River Sutlej along the ridge upto Kakru Ka Ghat.
Ghumarwin	Baseh No. 9	5,097 acres	Bagphal No. 3	682 acres	100 acres	NORTH: From Jol Ka Ghauta Jong the ridge upto Basik Ka Bahra thence to River Sutlej. EAST: From Jol Ka Ghauta along the path upto Kharji Chak Sanan Wala & thence upto Gular Ki Basik. SOUTH: From Gular Ki Basik upto River Sutlej. WEST: From River Sutlej to Basi Ka Bahra.
Ghumarwin	Baseh No. 9	5,097 acres	Bharoli Kalan No.22	90 acres	90 acres	Whole of the Compartiment.
Ghumarwin	Baseh No. 9	5,097 acres	Chaknar No. 38	82 acres	17 acres	NORTH: From boundary pillar 'Kapare wali' to boundary pillar Khair wali. EAST: Nala JAMAN. SOUTH: From 'Kurdan wala Ghat' to 'Garade Ki Ridge'. WEST: Along the Garde Ki ridge to 'Khair-Al'.
Ghumarwin	Baseh No. 9	5,097 acres	Kojar Sare Pani No. 39	283 acres	38 acres	NORTH: Boundary of Demarcated Forest. EAST: From Kojar Ki Talpi to boundary pillar 'Kakar-Al'. SOUTH: Un-Demarcated Forest Malraon WEST: JAMAN Nala.
Ghumarwin	Baseh No. 9	5,097 acres	Johar Sundari No. 40	334 acres	97 acres	NORTH: Kharji Chak Johar Sundari along the land of Sarvshri Ramu and Sant Ram Gujjar. EAST: Kakar-Al Da Phat. SOUTH: Nala Johar Sundari. WEST: Un-Demarcated Forest Gah.
Ghumarwin	Baseh No. 9	5,097 acres	Bohar No.41	98 acres	40 acres	NORTH: Nala Johar Sundari. EAST: Ridge above the cultivated land of Gaddi Gujar. SOUTH: From ridge Kakar-Al to boundary pillar Bil-Al. WEST: From boundary pillar Bil-Al to Nala Johar Sundari.
Ghumarwin	Beseh No. 9	5,097 acres	Poploa No. 42	217 acres	31 acres	NORTH: From boundary pillar 'Thod' to Mitha-Am and thence to Lalain Ka Ghautu. EAST: From Rahali Ki Khad to boundary pillar 'Thod'. SOUTH: Kharji Chak and Khad Rahali. WEST: Lalain Ka Ghautu along Kharji Chak upto Nala Paploa (Rahali Khad).
Ghumarwin	Baseh No. 9	5,097 acres	Gadyana No. 43	187 acres	29 acres	NORTH: Rahali Khad. EAST: From Nala Paploa to boundary pillar 'Bara'. SOUTH: From boundary pillar 'Bara' to Johari Wala Tibu. WEST: From Rahali Ki Khad to cultivated land of Shri Lachhman Gujjar upto Tibbu Johri wala.

Note:—Grass cutting may be permitted free to the right holders after the rains at the discretion of the Divisional Forest Officer, Bilaspur Forest Division in writing.

By order,
A. B. MALIK.
Secretary.

HOME DEPARTMENT**NOTIFICATIONS***Simla-4, the 24th January, 1957*

No. H. 77-18/57.—The Lieutenant Governor, Himachal Pradesh is pleased to promote Shri S. M. Sagar, Police Prosecutor, Sirmur District as officiating Deputy Superintendent of Police, Headquarters Mahasu District temporarily in the scale of Rs. 300-25-650/30-800, in the existing vacancy caused by the promotion of Shri Gangbir Singh as officiating Superintendent of Police, Chamba.

2. The promotion will take effect from the date of his taking over charge at Kasumti.

Simla-4, the 26th January, 1957

No. H. 77-199/56.—The Lieutenant Governor, Himachal Pradesh, is pleased to appoint Sri Indar Singh, Superintendent of Police, Mahasu as A.I.G/C.I.D. and Headquarters w.e.f. 1-2-1957 in his existing scale of pay towards the post sanctioned in this Administration letter No. HGT-77-199/56, dated 14/26-11-1956 and to promote from the same date Sri A. D. Bali, Dy. S.P., C.I.D., S.B. as Officiating Superintendent of Police, Mahasu District in the scale of Rs. 600-40-1000-1000-1050-1050-1100-1100-1150 as a temporary measure.

**A. GUPTA, I.P.,
Additional Secretary.**

HOME, GAZETTE AND TRANSPORT BRANCH**NOTIFICATION***Simla-4, the 29th January, 1957*

No. HGT. 102-242/56.—In exercise of the powers vested in him under Rule 3-10 of the Punjab Motor Vehicles Rules, 1940, as applied to Himachal Pradesh, the Lieutenant Governor, Himachal Pradesh, is pleased to appoint the Manager, Bilaspur Transport Service, as a member of the Board of inspection in District Bilaspur to conduct tests for driving transport vehicles.

**K. R. CHANDEL,
Assistant Secretary (Transport).**

LAW DEPARTMENT**NOTIFICATION***Simla-4, the 28th January, 1957*

No. LR. 8-32/54.—The Lieutenant Governor, Himachal Pradesh, is pleased to appoint Shri Thakur Parshad, Advocate as part time Government Advocate-cum-Public Prosecutor for Mandi District for a period of one year on a fixed salary of Rs. 200 per mensem plus usual allowances permissible under the rules with effect from the date of his taking charge. His services are liable to be terminated on one month's notice.

By order,
**LAKSHMAN DASS,
Assistant Secretary (Judicial).**

भाग 2—वैधानिक नियमों को छोड़ कर विभिन्न विभागों के अध्यक्षों और जिला मैजिस्ट्रेटों द्वारा अधिसूचनाएं इत्यादि

शून्य

भाग 3—वैधानिक नियम तथा हिमाचल प्रदेश के उपराज्यपाल, जुडिशल कमिशनरज कोर्ट, फाइनेन्शल कमिशनर, कमिशनर आफ इन्कम टैक्स द्वारा अधिसूचित आदेश इत्यादि।

शून्य

भाग 4—स्थानीय स्वायत्त शासन: म्युनिसिपल बोर्ड, डिस्ट्रिक्ट बोर्ड, नोटीफाइड और टाउन एरिया तथा पंचायत विभाग

शून्य

भाग 5—वैर्यक्तिक अधिसूचनाएं और विज्ञापन

शून्य

अनुप्रक

शून्य

MEDICAL DEPARTMENT**NOTIFICATIONS***Simla-4, the 25th January, 1957*

No. M. 65-593/55.—In supersession of this Administration Notification No. M-65-593/55, dated the 4th January, 1957, Dr. Mrs. A. C. Parmar, Assistant Director of Health Services (M & C.W.), Himachal Pradesh is granted 45 days earned leave with effect from 16th January, 1957 (A.N.) to 2nd March, 1957.

**R. C. GUPTA,
Assistant Secretary.**

Simla-4, the 29th January, 1957

No. M. 65-261/54.—Services of Dr. (Miss) S. D. Chauhan and Dr. B. K. Banerjee have been placed at the disposal of the Development Department with effect from the date of their taking over.

By order,
**R. C. GUPTA,
Assistant Secretary.**

PUBLIC WORKS DEPARTMENT**NOTIFICATIONS***Simla-4, the 28th January, 1957*

No. PW. 59-33/55-4319-24.—Shri William F. Desouza, Assistant Engineer on his transfer from Mahasu Sub-Division Simla took over charge of Planning and Design Sub-Division (Electrical) on the forenoon of 4th January, 1957 from Shri M. L. Bansal, P. A. to Chief Engineer who was holding dual charge in addition to his own duties.

Simla-4, the 28th January, 1957

No. PW. 58-29/56-4314-16.—In supersession of notification issued *vide* No. PW-58-29/56-37686-87, dated 3-9-56, the headquarters of Electrical Sub-Division, Bilaspur are hereby shifted from Mandi to Bilaspur in the public interest with immediate effect.

Simla-4, the 28th January, 1957

No. PW. 59-88/56-4301-5.—In supersession to Gazette Notification No. PW-59-88/56-52730-33, dated 8-12-1956, 6 (six) days leave with effect from 1-10-1956 to 6-10-1956 with permission to suffix Dushahra holidays with effect from 7th to 14th October, 1956 is hereby sanctioned in favour of Shri S. S. Wasu, Assistant Engineer, Public Health Sub-Division, Himachal Pradesh, Public Works Department, Chamba (North).

**G. R. NANGEA,
Secretary.**

भाग 6—भारतीय राजपत्र इत्यादि में से पुनः प्रकाशन ।

LAW DEPARTMENT

NOTIFICATION

Simla-4, the 31st July, 1956

No. LR. 1-89/54.—The following Acts passed recently by the Parliament of India and already published in Gazette of India Extraordinary, Part II, Section 1, dated 15th June, 1956 and 19th June, 1956, respectively, are hereby republished in the Himachal Pradesh Government Gazette for the information of the general public. —

LAKSHMAN DASS, B.A., I.I.B.,
Assistant Secretary (Judicial).

Received Assent on 10-6-56.

THE AGRICULTURAL PRODUCE (DEVELOPMENT AND WAREHOUSING) CORPORATIONS ACT, 1956

(28 of 1956)

AN

ACT

to provide for the incorporation and regulation of corporations for the purpose of development and warehousing of agricultural produce on co-operative principles and for matters connected therewith.

BE it enacted by Parliament in the Seventh Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. **Short title, extent and commencement.**—(1) This Act may be called the Agricultural Produce (Development and Warehousing) Corporations Act, 1956.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. **Definitions.**—In this Act, unless the context otherwise requires,—

(a) “agricultural produce” means any of the following classes of commodities, namely:—

(i) foodstuffs, including edible oil-seeds;

(ii) cattle fodder, including oil-cakes and other concentrates;

(iii) raw cotton, whether ginned or un-ginned and cotton seed;

(iv) raw jute; and

(v) vegetable oils;

(b) “appropriate Government”, means, in relation to the Board and the Central Warehousing Corporation, the Central Government, and in relation to a State Warehousing Corporation, the State Government;

(c) “Board” means the National Co-operative Development and Warehousing Board established under section 3;

(d) “Central Warehousing Corporation” means the Central Warehousing Corporation established under section 17;

(e) “Co-operative Society” means a society registered or deemed to be registered under the Co-operative Societies Act, 1912 (2 of 1912) or under any other law for the time being in force in any State relating to co-operative societies which is engaged in any of the activities specified in sub-section (1) of section 9 and includes a co-operative land mortgage Bank;

(f) “prescribed” means prescribed by rules made under this Act;

(g) “recognised association” means an association which is for the time being recognised by the Central Government under section 6 of the Forward Contracts (Regulation) Act, 1952 (74 of 1952);

(h) “Reserve Bank” means the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934 (2 of 1934);

(i) “scheduled bank” means a bank for the time being included in the Second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934);

(j) “State Bank” means the State Bank of India constituted under the State Bank of India Act, 1955 (23 of 1955);

(k) “State Warehousing Corporation” means a Warehousing Corporation for a State established under section 28;

(l) “Warehousing Corporation” means a Warehousing Corporation established under this Act; and

(m) “year” means the financial year.

CHAPTER II

THE NATIONAL CO-OPERATIVE DEVELOPMENT AND WAREHOUSING BOARD

3. **Establishment of the National Co-operative Development and Warehousing Board.**—(1) With effect from such date as the Central Government may, by notification in the Official Gazette, fix in this behalf, there shall be established at New Delhi a Corporation, by the name of the National Co-operative Development and Warehousing Board which shall be a body corporate having perpetual succession and a common seal with power to acquire, hold and dispose of property and to contract, and may, in the said name, sue and be sued.

(2) The Board shall consist of the following members, namely:—

(i) ten members representing the Central Government, to be nominated by that Government in such manner as may be prescribed;

(ii) the Chairman of the Forward Markets Commission established under the Forward Contracts (Regulation) Act, 1952 (74 of 1952) *ex-officio*;

(iii) one representative of the Reserve Banks, nominated by the Central Government;

(iv) one representative of the State Bank, nominated by the Central Government;

(v) nine non-officials, nominated by the Central Government, of whom

(a) one shall be a person who has special knowledge of rural economics; and

(b) four shall be persons who have experience of co-operative societies, one being a person who has also special knowledge of co-operative technical education.

(3) A member of the Board nominated by the Central Government may be nominated by virtue of office.

(4) There shall be a Chairman and a Vice-Chairman of the Board who shall be chosen from among the members of the Board in such manner as may be prescribed.

4. **Disqualification for being a member of Board.**—A person shall be disqualified for being chosen as, or for being a member of the Board who—

(i) is, or at any time has been, adjudicated insolvent or has suspended payment of his debts or has compromised with his creditors; or

(ii) is, or has been convicted of any offence involving moral turpitude; or

(iii) is a salaried official of the Board or of a Warehousing Corporation.

5. **Term of office of members of Board.**—(1) The term of office of members of the Board and the manner of filling vacancies among members shall be such as may be prescribed.

(2) Any member of the Board other than an *ex-officio* member may resign his office by giving notice in writing to the Central Government, and on such resignation being accepted he shall be deemed to have vacated his office.

6. **Removal from office of member, etc.**—The Central Government may, at any time, remove from office any member other than an *ex-officio* member of the Board

after giving him a reasonable opportunity of showing cause against the proposed removal.

7. Meetings, etc., of Board.—(1) The Board shall meet at such times and places and shall, subject to the provisions of sub-sections (2) and (3), observe such procedure in regard to transaction of business at its meetings (including the quorum at meetings) as may be provided by regulations made by the Board under this Act.

(2) The Chairman or, in his absence, the Vice-Chairman or, in the absence of both the Chairman and the Vice-Chairman, any member chosen by the members present from amongst themselves, shall preside at a meeting of the Board.

(3) All questions at a meeting of the Board shall be decided by a majority of the votes of the members present and voting, and in the case of equality of votes, the Chairman, or, in his absence, the Vice-Chairman, or, in the absence of both the Chairman and the Vice-Chairman, the person presiding shall have a second or casting vote.

8. Officers and other employees of Board.—(1) The Central Government shall, in consultation with the Board, appoint a person to be the Secretary of the Board.

(2) Subject to such rules as may be made by the Central Government in this behalf, the Board may appoint such other officers and employees as it considers necessary for the efficient performance of its functions.

(3) The methods of appointment, the conditions of service and the scales of pay of the officers and other employees of the Board shall,—

(a) as respects the Secretary, be such as may be prescribed; and

(b) as respects the other officers and employees, be such as may be determined by regulations made by the Board under this Act.

9. Functions of Board.—(1) Subject to the provisions of this Act, the functions of the Board shall be to plan and promote programmes for the production, processing, marketing, storage, warehousing, export and import, of agricultural produce through a co-operative society or a Warehousing Corporation.

(2) In particular and without prejudice to the generality of the foregoing provision, the Board may—

(a) advance loans or grant subsidies to State Governments for financing co-operative societies;

(b) provide funds to a State Government or a Warehousing Corporation for financing co-operative societies for the purchase of agricultural produce on behalf of the Central Government;

(c) subscribe to the share capital of the Central Warehousing Corporation or advance loans or grant subsidies to that Corporation or any State Warehousing Corporation; and

(d) plan and promote programmes through co-operative societies for the supply of seeds, manures, fertilisers, agricultural implements and other articles for the development of agricultural produce.

(3) The Board shall so exercise its functions under this section as not to interfere with the activities of the All-India Khadi and Village Industries Board set up by the Central Government.

10. Executive Committee of Board.—(1) There shall be an Executive Committee of the Board which shall consist of the following members, namely:—

(a) the Vice-Chairman of the Board;

(b) three members nominated by the Central Government in such manner as may be prescribed, from among the members of the Board referred to in clauses (i), (ii) and (iv) of sub-section (2) of section 3;

(c) the representative of the Reserve Bank nominated under clause (iii) of sub-section (2) of section 3;

(d) two members nominated by the Central Government from among the members of the Board referred to in clause (v) of sub-section (2) of section 3.

(2) (a) The Vice-Chairman of the Board shall be the Chairman of the Executive Committee.

(b) The Vice-Chairman of the Executive Committee shall be nominated in such manner as may be prescribed, from among the members referred to in clause (b) of sub-section (1).

(3) Subject to the general control, direction and superintendence of the Board, the Executive Committee shall be competent to deal with any matter within the competence of the Board.

(4) The Executive Committee shall meet at such times and at such places and shall observe such procedure in regard to transaction of business at its meetings (including the quorum at meetings) as may be provided by regulations made by the Board under this Act.

(5) The minutes of every meeting of the Executive Committee shall be laid before the Board at its next following meeting.

11. Grants by the Central Government to Board.—The Central Government shall, after due appropriation made by Parliament by law in this behalf, pay to the Board—

(a) a non-recurring grant of five crores of rupees and a recurring grant in each year of a sum of five crores of rupees during the period of five years from the commencement of this Act:

Provided that the Central Government may increase or reduce the amount of such non-recurring grant or the annual recurring grant in any year having regard to the actual requirements of the Board;

(b) after the expiration of the said period of five years, such sums as the Central Government may from time to time deem necessary to enable the Board to perform its functions under this Act.

12. Board to maintain two funds.—(1) The Board shall maintain two separate funds, namely:—

(a) the National Co-operative Development Fund (hereinafter referred to as "the Development Fund");

(b) the National Warehousing Development Fund (hereinafter referred to as "the Warehousing Fund").

(2) The Board may, with the approval of the Central Government make re-appropriations between the two funds.

13. Development Fund.—(1) To the Development Fund shall be credited—

(a) three-fifths of the annual recurring grant referred to in section 11;

(b) such additional grants as the Central Government may make to the Board for the purposes of the Fund; and

(c) such sums of money as may, from time to time, be realised out of repayment of loans made from the Fund or from interest on loans or dividends on investments made from the Fund.

(2) The Development Fund shall be applied for advancing loans and granting subsidies to State Governments on such terms and conditions as the Board may deem fit for the purpose of enabling State Governments to subscribe to the share capital of co-operative societies or for otherwise financing co-operative societies.

14. Warehousing Fund.—(1) To the Warehousing Fund shall be credited—

(a) the non-recurring grant of five crores of rupees and two-fifths of the annual recurring grant referred to in section 11;

(b) such additional grants as the Central Government may make to the Board for the purposes of the Fund;

(c) such sums of money as may, from time to time, be realised out of loans made from the Fund or from interest on loans or dividends on investments made from the Fund.

(2) The Warehousing Fund shall be applied—

(a) for subscribing to the share capital of the Central Warehousing Corporation;

- (b) for advancing loans to State Governments on such terms and conditions as the Board may deem fit for the purpose of enabling them to subscribe to the share capital of State Warehousing Corporations;
- (c) for advancing loans and granting subsidies to a Warehousing Corporation or to a State Government for the purpose of promoting the warehousing and storage of agricultural produce.

15. Returns and reports.—(1) The Board shall furnish to the Central Government at such times and in such form and manner as may be prescribed or as the Central Government may direct, such returns and statements and such particulars in regard to the discharge of its functions under this Act as the Central Government may, from time to time, require.

(2) Without prejudice to the provisions of sub-section (1), the Board shall, as soon as possible, after the end of each year, submit to the Central Government a report, in such form and manner and before such date as may be prescribed, giving a true and full account of its activities, policy and programme during the previous year.

(3) A copy of the report received under sub-section (2) shall be laid before both Houses of Parliament.

16. Directions by Central Government.—In the discharge of its functions, the Board shall be guided by such directions as may be given to it by the Central Government.

CHAPTER III THE CENTRAL WAREHOUSING CORPORATION

17. The Central Warehousing Corporation.—(1) With effect from such date as the Central Government may, by notification in the Official Gazette, fix in this behalf, there shall be established a Corporation by the name of the Central Warehousing Corporation which shall be a body corporate having perpetual succession and a common seal with power to acquire, hold and dispose of property and to contract and may, by the said name, sue and be sued.

(2) The head office of the Central Warehousing Corporation shall be at New Delhi.

18. Share capital and shareholders.—(1) The authorised capital of the Central Warehousing Corporation shall be twenty crores of rupees divided into two hundred thousand shares of the face value of one thousand rupees each, of which one hundred thousand shares of the total face value of ten crores of rupees shall be issued in the first instance, and the remaining shares may be issued, with the sanction of the Central Government from time to time, as and when the Central Warehousing Corporation may deem fit.

(2) Of the capital issued in the first instance—

- (a) the Board shall subscribe for forty thousand shares;
- (b) on application made before such date as may be notified by the Central Government in the Official Gazette in this behalf;—
- (i) the State Bank may subscribe for ten thousand shares;
- (ii) other scheduled banks may subscribe for twelve thousand and five hundred shares;
- (iii) co-operative societies may subscribe for two thousand and five hundred shares;
- (iv) insurance companies, investment trusts and other classes of financial institutions may subscribe for thirty thousand shares; and
- (v) recognised associations and joint stock companies dealing in agricultural produce may subscribe for five thousand shares.

(3) If any shares referred to in clause (b) of sub-section (2) remain unallotted, they may be subscribed for by the Board and the State Bank in such proportion as may be agreed upon between them.

(4) If and when the remaining one hundred thousand shares or any part thereof are issued, the Board, the State Bank and the other institutions referred to in sub-section (2) may subscribe for such shares in such proportion as the Board may determine at the time of the issue of the shares.

(5) Notwithstanding anything contained in this section, no institution belonging to any of the classes referred to in sub-clause (ii), (iii), (iv), or (v) of clause (b) of sub-section (2) shall be entitled to subscribe for more than twenty-five per cent. of the share capital reserved for that class of institution under the said clause.

(6) The shares of the Central Warehousing Corporation shall not be transferable except to the Board, the State Bank, any scheduled bank, any insurance company, any investment trust or other financial institution or any co-operative society or any recognised association or joint stock company dealing in agricultural produce, in accordance with the regulations made by the Central Warehousing Corporation under this Act.

19. Shares to be guaranteed by Central Government and to be trust or approved securities.—(1) The shares of the Central Warehousing Corporation shall be guaranteed by the Central Government as to the repayment of the principal and payment of the annual dividend at such minimum rate as may be fixed by the Central Government by notification published in the Office Gazette at the time of the issue of the shares.

(2) Notwithstanding anything contained in the Acts mentioned in this sub-section, the shares of the Central Warehousing Corporation shall be deemed to be included among the securities enumerated in section 20 of the Indian Trusts Act, 1882 (2 of 1882) and also to be approved securities for the purpose of the Insurance Act, 1938 (4 of 1938) and the Banking Companies Act, 1949 (10 of 1949).

20. Management of Central Warehousing Corporation.—(1) The general superintendence and management of the affairs and business of the Central Warehousing Corporation shall vest in a board of directors who, with the assistance of an Executive Committee and a managing director, may exercise all the powers and discharge all the functions which may be exercised or discharged by the Central Warehousing Corporation under this Act.

(2) The directors in discharging their functions under this Act shall act on business principles having regard to public interest and shall be guided by such instructions on questions of policy as may be given to them by the Board.

(3) If any doubt arises as to whether a question is or is not a question of policy, the decision of the Board shall be final.

21. Directors.—(1) The board of directors, referred to in section 20, shall consist of the following, namely:—

- (a) all members of the Executive Committee of the Board referred to in sub-section (1) of section 10;
- (b) two directors nominated by the Board in the prescribed manner from among the members of the Board other than those who are members of the Executive Committee of the Board;
- (c) the representative of the State Bank on the Board;
- (d) one director to be elected in the prescribed manner by each of the following classes of shareholders of the Central Warehousing Corporation, namely:—
 - (i) scheduled banks,
 - (ii) co-operative societies,
 - (iii) insurance companies, investment trusts and other financial institutions, and
 - (iv) recognised associations and joint stock companies dealing in agricultural produce;
- (e) a managing director, appointed by the Board in consultation with the directors referred to in clauses (a) to (b).

(2) The four directors to be elected under clause (7) of sub-section (1) may, for the first constitution of the board of directors, be nominated by the Central Government in consultation with the Board in such manner as to give representation to each class of institutions (whether they have become shareholders of the Corporation or not) referred to in that clause, but a director so nominated shall hold office only until he is replaced by a director elected as provided in that clause, and the director so elected shall hold office only for so long as

th: director replaced would have held office had he not been replaced.

(3) If, within the period prescribed in this behalf, or within such further period as the Central Government may allow, any class of institutions referred to in clause (d) of sub-section (1) fails to elect a director, the Board may nominate a director to fill the vacancy.

(4) The Vice-Chairman of the Board shall be the Chairman of the Board of directors.

(5) The Vice-Chairman of the Executive Committee of the Board shall be the Vice-Chairman of the board of directors.

(6) The managing director shall—

(a) be a whole-time officer of the Central Warehousing Corporation;

(b) perform such duties as the Central Warehousing Corporation may by regulations made under this Act entrust or delegate to him; and

(c) receive such salary and allowances as the Central Warehousing Corporation may, with the approval of the Board, fix.

(7) The directors of the Central Warehousing Corporation other than a managing director shall be entitled to receive by way of remuneration such sums as the Central Warehousing Corporation may, with the approval of the Board, fix:

Provided that no official director shall be entitled to receive any remuneration other than the allowances, if any, admissible to him under the rules regulating his conditions of service.

(8) The term of office, and the manner of filling casual vacancies among the directors shall be such as may be prescribed.

22. Disqualification for office of Director of the Central Warehousing Corporation.—A person shall be disqualified for being chosen as, or for being a member of the board of directors of the Central Warehousing Corporation who—

(i) is found to be a lunatic or becomes of unsound mind; or

(ii) is, or at any time has been, adjudicated insolvent or has suspended payment of his debts or has compounded with his creditors; or

(iii) is or has been convicted of any offence involving moral turpitude; or

(iv) has been removed or dismissed from the service of Government on a charge of corruption, or bribery, or

(v) except in the case of the managing director, is a salaried official of the Board or of the Central Warehousing Corporation or any State Warehousing Corporation; or

(vi) has directly or indirectly any interest in any subsisting contract made with, or in any work being done for the Central Warehousing Corporation except as a shareholder (other than a director) in any public company as defined in the Companies Act, 1956 (of 1956):

Provided that where any such person is a shareholder, he shall disclose to the Central Warehousing Corporation the nature and extent of shares held by him in such company.

23. Removal of directors from office.—(1) The Board may, at any time in consultation with the Central Warehousing Corporation and with the previous approval of the Central Government, remove the managing director from office after giving him a reasonable opportunity of showing cause against the proposed removal.

(2) The Board of directors may remove from office any director who—

(a) is or has become subject to any of the disqualifications mentioned in section 22; or

(b) is absent without leave of the board of directors for more than three consecutive meetings of the board without excuse, sufficient in the opinion of the board, to exonerate his absence.

24. Appointment of officers, etc and their conditions of service.—(1) The Central Warehousing Corporation may

appoint such officers and other employees as it considers necessary for the efficient performance of its functions.

(2) Every person employed by the Central Warehousing Corporation under this Act shall be subject to such conditions of service and shall be entitled to such remuneration as may be determined by regulations made by the Corporation under this Act.

25. Functions of Central Warehousing Corporation.—Subject to the provisions of this Act, the Central Warehousing Corporation may—

(a) acquire and build godowns and warehouses at such suitable places in India it thinks fit;

(b) run warehouses for the storage of agricultural produce, seeds, manures, fertilizers and agricultural implements offered by individuals, co-operative societies and other institutions;

(c) arrange facilities for the transport of agricultural produce to and from warehouses;

(d) subscribe to the share capital of a State Warehousing Corporation;

(e) act as agent of the Board or of the Government for the purposes of the purchase, sale, storage and distribution of agricultural produce, seeds, manures, fertilizers and agricultural implements; and

(f) carry out such other functions as may be prescribed.

26. Executive Committee.—(1) There shall be an Executive Committee of the Central Warehousing Corporation which shall consist of—

(a) the Chairman and Vice-Chairman of the Board of directors;

(b) the managing director; and

(c) two other directors chosen by the Corporation in the prescribed manner.

(2) The Chairman and the Vice-Chairman of the board of directors shall be the Chairman and Vice-Chairman respectively of the Executive Committee.

(3) Subject to the general control, direction and superintendence of the board of directors, the Executive Committee shall be competent to deal with any matter within the competence of the Central Warehousing Corporation.

27. Meetings of the Corporation.—(1) The annual general meeting of the Central Warehousing Corporation (hereinafter referred to as the annual general meeting) shall be held every year either at its head office or at any other office of the Corporation within three months from the date on which the annual accounts of the Corporation are closed, and any other general meeting may be convened by the directors at any other time.

(2) The shareholders present at the annual general meeting shall be entitled to discuss the annual accounts, report of the directors on the working of the Corporation during the year under report, as well as the auditors' report on the annual balance sheet and accounts.

(3) The directors of the Central Warehousing Corporation shall, on the requisition of one-third of the number of shareholders of the Corporation, call a special meeting of the Corporation.

(4) The requisition for a special meeting under sub-section (3) shall state the object of the meeting, and must be signed by the requisitionists and deposited at the head office of the Corporation, and may consist of several documents in like form each signed by one or more requisitionists.

(5) If the directors of the Central Warehousing Corporation do not proceed within twenty-one days from the date of requisition being so deposited to cause the special meeting to be called, the requisitionists, or a majority of them, may themselves call the meeting, but in either case the meeting so called shall be held within three months from the date of the deposit of the requisition.

(6) The Central Warehousing Corporation shall observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at meetings) as may be provided by regulations made by the Central Warehousing Corporation under this Act.

CHAPTER IV STATE WAREHOUSING CORPORATION

28. State Warehousing Corporations.—(1) The State Government may, by notification in the Official Gazette and with the approval of the Central Warehousing Corporation, establish a Warehousing Corporation for the State under such name as may be specified in the notification.

(2) A State Warehousing Corporation established under sub-section (1) shall be a body corporate by the name notified under that sub-section, having perpetual succession and a common seal, with power to acquire, hold and dispose of property and to contract, and may, by the said name, sue and be sued.

(3) The head office of a State Warehousing Corporation shall be at such place within the State as may be notified in the Official Gazette.

29. Share capital and shareholders.—(1) The authorised capital of a State Warehousing Corporation shall be such sum not exceeding two crores of rupees as may be prescribed, divided into shares of the face value of one hundred rupees each, of which such number as may be determined by the Corporation in consultation with the State Government shall be issued in the first instance and the remaining shares may be issued, from time to time, as and when the Corporation may deem fit in consultation with the Central Warehousing Corporation and with the sanction of the State Government.

(2) Of the share capital issued in the first instance, and of any subsequent issue of such capital, the Central Warehousing Corporation shall, in any case where the State Government has subscribed for fifty per cent. of such capital, subscribe for the remaining fifty per cent. of the capital.

30. Management of a State Warehousing Corporation.—(1) The general superintendence and management of the affairs of the State Warehousing Corporation shall vest in a board of directors which shall consist of the following, namely:—

- (a) five directors nominated by the Central Warehousing Corporation, of whom one shall be nominated in consultation with the State Bank and one at least shall be a non-official;
- (b) five directors nominated by the State Government; and
- (c) a managing director, appointed by the State Government in consultation with the directors referred to in clauses (a) and (b) and with the previous approval of the Central Warehousing Corporation.

(2) The Chairman of the board of directors shall be appointed by the State Government from among the directors of the State Warehousing Corporation with the previous approval of the Central Warehousing Corporation.

(3) The managing director shall—

- (a) be a whole-time officer of the State Warehousing Corporation;
- (b) perform such duties as the State Warehousing Corporation may, by regulations made under this Act entrust or delegate to him; and
- (c) receive such salary and allowances as the State Warehousing Corporation may, in consultation with the Central Warehousing Corporation, and with the previous approval of the State Government, fix.

(4) The directors in discharging their functions under this Act shall act on business principles having regard to public interest and shall be guided by such instructions on questions of policy as may be given to them by the State Government or the Central Warehousing Corporation.

(5) If any doubt arises as to whether a question is or is not a question of policy or, if the State Government and the Central Warehousing Corporation give conflicting directions, the matter shall be referred to the Board whose decision thereon shall be final.

(6) The directors of a State Warehousing Corporation, other than the managing director, shall be entitled to

receive by way of remuneration such sums as may be prescribed:

Provided that no official director shall be entitled to receive any remuneration other than any allowances admissible to him under the rules regulating his conditions of service.

(7) The term of office of, and the manner of filling casual vacancies among, directors shall be such as may be prescribed.

31. Disqualification for membership of the board of the Corporation.—A person shall be disqualified for being chosen as, or for being, a member of the board of directors of a State Warehousing Corporation who—

- (i) is, or at any time has been, adjudicated insolvent or has suspended payment of his debts or has compounded with his creditors; or
- (ii) is or has been convicted of any offence involving moral turpitude; or
- (iii) has been removed or dismissed from the service of Government on a charge of corruption or bribery; or
- (iv) except in the case of the managing director, is a salaried official of the Board of the Central Warehousing Corporation or a State Warehousing Corporation; or
- (v) has directly or indirectly any interest in subsisting contract made with, or in any work being done, for, the State Warehousing Corporation except as a shareholder (other than a director) in any public company as defined in the Companies Act, 1956 (1 of 1956):

Provided that where any such person is a shareholder, he shall disclose to the Warehousing Corporation the nature and extent of the shares held by him in such company.

32. Removal of Directors from office.—(1) The State Government may, at any time, in consultation with the Central Warehousing Corporation, remove the managing director from office after giving him a reasonable opportunity of showing cause against the proposed removal.

(2) The board of directors may remove from office any director who—

- (a) is or has become subject to any of the disqualifications mentioned in section 31; or
- (b) is absent without leave of the board of directors for more than three consecutive meetings of the board without cause sufficient, in the opinion of the board, to exonerate his absence.

33. Appointment of officers, etc., and their conditions of service.—(1) A State Warehousing Corporation may appoint such officers and other employees as it considers necessary for the efficient performance of its functions.

(2) Every person employed by a State Warehousing Corporation under this Act shall be subject to such conditions of service and shall be entitled to such remuneration as may be determined by regulations made by the Corporation under this Act.

34. Functions of the State Warehousing Corporation.—Subject to the provisions of this Act, a State Warehousing Corporation may—

- (a) acquire and build godowns and warehouses at such places within the State as it may, in consultation with the Central Warehousing Corporation, determine;
- (b) run warehouses in the State for the storage of agricultural produce, seeds, manures, fertilizers and agricultural implements;
- (c) subscribe to the share capital of co-operative societies engaged in the storage or warehousing of agricultural produce;
- (d) arrange facilities for the transport of agricultural produce to and from warehouses;
- (e) act as an agent of the Central Warehousing Corporation or of the Government for the purposes of the purchase, sale, storage and distribution, of

agricultural produce, seeds, manures, fertilizer, and agricultural implements; and

(f) carry out such other functions as may be prescribed.

35. **Executive Committee.**—(1) There shall be an Executive Committee of a State Warehousing Corporation which shall consist of—

(a) the Chairman of the board of directors;

(b) the managing director; and

(c) three other directors chosen in the prescribed manner.

(2) The Chairman of the board of directors shall be the Chairman of the Executive Committee.

(3) Subject to any general or special directions as the board of directors may, from time to time, give, the Executive Committee shall be competent to deal with any matter within the competence of the State Warehousing Corporation.

CHAPTER V

FINANCE, ACCOUNTS AND AUDIT

36. **Submission of programme of activities and financial estimates.**—(1) The Board and every Warehousing Corporation shall prepare before the commencement of each year a statement of programme of its activities during the forthcoming year as well as financial estimate in respect thereof.

(2) A statement prepared under sub-section (1) shall, not later than three months before the commencement of each year, be submitted for approval—

(a) in the case of the Board, to the Central Government;

(b) in the case of the Central Warehousing Corporation, to the Board;

(c) in the case of State Warehousing Corporation, to the Central Warehousing Corporation and the State Government.

37. **Borrowing powers of Warehousing Corporation.**—(1) A Warehousing Corporation may, in consultation with the Reserve Bank and with the previous approval of the appropriate Government, issue and sell bonds and debentures carrying interest for the purpose of raising funds:

Provided that the total amount of bonds and debentures issued and outstanding and of the other borrowings of the Corporation shall not at any time exceed ten times the amount of the paid-up share capital and the reserve fund of the Corporation.

(2) A Warehousing Corporation may, for the purpose of carrying out its functions under this Act, borrow money—

(i) from the Reserve Bank,—

(a) repayable on demand or on the expiry of fixed periods not exceeding ninety days from the date on which the money is so borrowed, against securities of the Central Government or of any State Government; or

(b) repayable on the expiry of fixed periods not exceeding eighteen months from the date on which the money is so borrowed, against securities of the Central Government or of any State Government, of any maturity, or against bonds and debentures issued under sub-section (1) by the borrowing Warehousing Corporation and guaranteed by the appropriate Government and maturing within a period not exceeding eighteen months from the date on which the money is so borrowed:

Provided that the amount borrowed under this sub-clause shall not at any time exceed, in the aggregate, three crores of rupees in the case of the Central Warehousing Corporation and fifty lakhs of rupees in the case of a State Warehousing Corporation;

(ii) from the State Bank, for such periods for which, and upon any of the securities against which, it is authorised to advance and lend moneys, under the provisions of the State Bank of India Act, 1955 (3 of 1955).

(3) Subject to the proviso to sub-section (1), the Central Warehousing Corporation may borrow money from the Central Government and the Board, and a State Warehousing Corporation may borrow money from the State Government, the Central Warehousing Corporation and the Board, on such securities and on such terms and conditions as may be agreed upon between the borrowing corporation and the lender, in each case.

(4) The bonds and debentures of a Warehousing Corporation may be guaranteed by the appropriate Government as to the repayment of principal and the payment of interest at such rate as may be fixed by the appropriate Government on the recommendation of the board of directors of the Corporation at the time the bonds or debentures are issued.

38. **Deposit account.**—(1) All moneys belonging to the Board shall be deposited in the Reserve Bank or the State Bank.

(2) All moneys belonging to Warehousing Corporation shall be deposited in the Reserve Bank or the State Bank or, subject to any rules made under this Act, in any scheduled bank or co-operative bank.

39. **Investment of funds.**—A Warehousing Corporation may invest its funds in the securities of the Central Government or any State Government.

40. **Disposal profits.**—(1) Every Warehousing Corporation shall establish a reserve fund out of its annual net profits.

(2) After making provision for bad and doubtful debts, depreciation on assets and all other matters which are usually provided for by companies registered and incorporated under the Indian Companies Act, 1913 (7 of 1913) a. Warehousing Corporation may, out of its net annual profits, declare a dividend:

Provided that for so long as the reserve fund is less than the paid-up share capital of the Central Warehousing Corporation and until there has been repaid to the Central Government such sum, if any, as that Government may have paid under a guarantee given in pursuance of sub-section (1) of section 19 or sub-section (4) of S. 37, the rate of such dividend, in the case of the Central Warehousing Corporation, shall not exceed the rate guaranteed by the Central Government under sub-section (1) of section 19.

41. **Accounts of Board and audit.**—(1) The Board shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed in consultation with the Comptroller and Auditor-General of India.

(2) The accounts of the Board shall be audited annually by the Comptroller and Auditor-General of India or any person authorised by him in this behalf and any expenditure incurred in connection with such audit shall be payable by the Board.

(3) The Comptroller and Auditor-General of India and any person authorised by him in connection with the audit of the accounts of the Board shall have the same rights, privileges and authority in connection with such audit as the Comptroller and Auditor-General has in connection with the audit of Government accounts and in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any office of the Board.

(4) The accounts of the Board as certified by the Comptroller and Auditor-General of India or any other person authorised by him in this behalf together with an audit report thereon shall be forwarded annually to the Central Government and that Government shall cause the same to be laid before both Houses of Parliament.

42. **Accounts and audit of Warehousing Corporation.**—

(1) Every Warehousing Corporation shall maintain proper accounts and other relevant records and prepare an annual statement of accounts including the profit and loss account and the balance-sheet in such form as may be prescribed.

(2) The accounts of a Warehousing Corporation shall be audited by not less than two auditors duly qualified to act as auditors of companies under sub-section (1) of section 144 of the Indian Companies Act, 1913 (7 of 1913).

(3) The said auditors shall be appointed by the appropriate Government and the appropriate Government shall appoint one such auditor in consultation with the Comptroller and Auditor-General of India.

(4) The auditors shall be supplied with a copy of the annual balance-sheet of the Warehousing Corporation, and it shall be their duty to examine it together with the accounts and vouchers relating thereto, and they shall have a list delivered to them of all books kept by the Corporation and shall at all reasonable times have access to the books, accounts and other documents of the Corporation and may in relation to such accounts examine any director or officer of the Corporation.

(5) The auditors shall make a report to the shareholders on the annual balance-sheet and accounts and in every such report they shall state whether in their opinion the balance-sheet is a full and fair balance-sheet containing all necessary particulars and properly drawn up to exhibit a true and correct view of the state of affairs of the Warehousing Corporation and in the case they had called for any explanation or information from the directors, whether it has been given and whether it is satisfactory.

(6) The appropriate Government, on the recommendation of the Board, may, after consultation with the Comptroller and Auditor-General of India at any time issue directions, through the Board to the auditors, requiring them to report to the appropriate Government upon the adequacy of measures taken by a Warehousing Corporation for the protection of its shareholders and creditors or upon the sufficiency of their procedure in auditing the accounts of the Corporation and may enlarge or extend the scope of the audit or direct that a different procedure in audit may be adopted or direct that any other examination may be made by the auditors if in the opinion of the appropriate Government public interest so requires.

(7) A Warehousing Corporation shall send a copy of every report of the auditors to the Comptroller and Auditor-General of India and to the Board at least one month before it is placed before the shareholders.

(8) Notwithstanding anything hereinbefore contained in this section, the Comptroller and Auditor-General of India may, either of his own motion or on a request received in this behalf from the appropriate Government undertake in respect of a Warehousing Corporation such audit and at such time as he may consider necessary:

Provided that where the Central Government is required to make any payment on account of the guarantee given by it under sub-section (1) of section 19, such audit shall be undertaken by the Comptroller and Auditor-General of India.

(9) Every audit report under this section shall be forwarded to the appropriate Government and that Government shall cause the same to be laid before both Houses of Parliament or the Legislature of the State, as as the case may be.

CHAPTER VI

MISCELLANEOUS

43. Vacancies, etc. not to invalidate acts and proceedings of the Board and Warehousing Corporations.—No act or proceeding of the Board or of a Warehousing Corporation shall be invalid by reason only of the existence of any vacancy among its members or directors or any defect in the constitution thereof.

44. Voting rights of shareholders.—In any meeting of the shareholders of a Warehousing Corporation every member shall have one vote in respect of each share held by him in the Corporation.

45. Disputes between Central Warehousing Corporation and State Warehousing Corporation.—If there is any difference of opinion between the Central Warehousing Corporation and a State Warehousing Corporation regarding their respective functions and powers under this Act, such difference shall be referred to the Board whose decision thereon shall be final.

46. Declaration of fidelity and secrecy.—Every member, auditor, officer or other employee of the Board and every director, auditor, officer or other employee of a Warehousing Corporation shall, before entering upon his duties,

make a declaration of fidelity and secrecy in the form set out in the Schedule.

47. Indemnity of Directors.—(1) Every director of a Warehousing Corporation shall be indemnified by the Corporation concerned against all losses and expenses incurred in the discharge of his duties except such as are caused by his own wilful act or default.

(2) A director of a Warehousing Corporation shall not be responsible for any other director or for any officer or other employee of the Corporation or for any loss or expense resulting to the Corporation by the insufficiency or deficiency of value of, or title to, any property or security acquired or taken on behalf of the Corporation in good faith, or by the wrongful act of any person under obligation to the Corporation or by anything done in good faith in the execution of the duties of his office or in relation thereto.

48. Offences.—(1) Whoever, without the consent in writing of a Warehousing Corporation, uses the name of that Corporation in any prospectus or advertisement, shall be punishable with imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

(2) No court shall take cognizance of any offence under sub-section (1) otherwise than on a complaint in writing by an officer authorised in this behalf by the Warehousing Corporation concerned.

49. Provisions relating to income-tax and supertax.—For the purposes of the Indian Income-tax Act, 1922, (11 of 1922) a Warehousing Corporation shall be deemed to be a company within the meaning of that Act and shall be liable to income-tax and super-tax accordingly on its income, profits and gains:

Provided that in the case of the Central Warehousing Corporation any sum paid by the Central Government under the guarantee given in pursuance of sub-section (1) of section 19 or in the case of a Warehousing Corporation any sum paid by the Central or a State Government under any guarantee given in pursuance of sub-section (4) of section 37 shall not be treated as income, profits and gains of a Warehousing Corporation, and any interest on the debentures or bonds issued by that Corporation out of such sums shall not be treated as expenditure incurred by it:

Provided further that in the case of any shareholder or debenture-holder such portion of a dividend or interest as has been paid out of any such sum advanced by the Central Government shall be deemed to be his income from interest on securities declared to be income-tax free within the meaning of section 8 of that Act.

50. Dissolution of Board.—(1) The Central Government, if it is of opinion that the Board has failed to carry out its functions under this Act, or that for any other reason it is not necessary to continue the Board, may, by notification in the Official Gazette, dissolve the Board from such date as may be specified in the notification.

(2) When the Board is dissolved under sub-section (1),—

(a) all members of the Board shall, from the date of dissolution, vacate their offices as such members;

(b) all powers and duties of the Board shall, as from the date of dissolution, be exercised and performed by the Central Government or such person or persons as the Central Government may appoint in this behalf;

(c) all funds and other property vested in the Board shall vest in the Central Government.

51. Winding up of Warehousing Corporations.—No provision of law relating to the winding up of companies or corporations shall apply to a Warehousing Corporation and any such Corporation shall not be placed in liquidation save by order of the appropriate Government and in such manner as it may direct.

52. Power to make rules.—(1) The appropriate Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for—

- (a) the manner in which representatives of the Central Government shall be nominated under clause (i) of sub-section (2) of section 3;
- (b) the manner in which the Chairman and Vice-Chairmen of the Board shall be chosen;
- (c) the term of office of members of the Board and the manner of filling vacancies among them;
- (d) the methods of appointment, the conditions of service and the scale of pay of the Secretary to the Board;
- (e) the manner in which the members shall be appointed under clause (b) of sub-section (1) of section 10 and the manner in which the Vice-Chairman of the Executive Committee shall be nominated under clause (b) of sub-section (2) of section 10;
- (f) the returns, statements and other particulars in regard to the discharge of its functions to be furnished by the Board to the Central Government;
- (g) the form and the manner in which, and the time within which, the Board shall furnish to the Central Government returns, statements and other particulars with regard to the discharge of its functions;
- (h) the form and the manner in which, and the time within which, the Board shall furnish to the Central Government a report of its activities, policy and programme;
- (i) the additional functions which a Warehousing Corporation may perform;
- (j) the manner of nomination and election of the directors of the Central Warehousing Corporation and the period within which such directors shall be nominated or elected;
- (k) the term of office of, and the manner of filling casual vacancies among, and the remuneration payable to, the directors of a Warehousing Corporation;
- (l) the manner of choosing directors on the Executive Committee of a Warehousing Corporation;
- (m) the maximum limit of the authorised capital of a State Warehousing Corporation;
- (n) the form of the annual statement of accounts and the balance-sheet to be prepared by a Warehousing Corporation;
- (o) the deposit of moneys of a Warehousing Corporation in a scheduled bank or a co-operative bank;
- (p) the manner of issuing shares of a Warehousing Corporation, the calls to be made in respect thereof, and all other matters incidental to the issue of shares.

(3) All rules made by the appropriate Government under this section shall, as soon as may be after they are made, be laid before both Houses of Parliament or the Legislature of the State as the case may be.

53. Power of Board to make regulations.—(1) The Board may, with the previous sanction of the Central Government, by notification in the Official Gazette, make regulations not inconsistent with this Act and the rules made thereunder, to provide for all matters for which provision is necessary or expedient for the purposes of giving effect to the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for—

- (a) the manner in which meetings of the Board and the Executive Committee thereof shall be convened, the fees for attending such meetings and the procedure to be followed thereat;
- (b) the methods of appointment, the conditions of service and the scales of pay of the officers (other than the Secretary) and other employees of the Board;
- (c) the duties and conduct of officers and other employees of the Board;
- (d) the time when the accounts of a Warehousing Corporation may be closed; and

- (e) generally the efficient conduct of the affairs of the Board;

(3) The Central Government may, by notification in the Official Gazette, rescind any regulation which it has sanctioned and thereupon the regulation shall cease to have effect.

54. Power of Warehousing Corporations to make regulations.—(1) A Warehousing Corporation may, with the previous sanction of the appropriate Government by notification in the Official Gazette, make regulations not inconsistent with this Act and the rules made thereunder to provide for all matters for which provision is necessary or expedient for the purposes of giving effect to the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for—

- (a) the conditions of service of, and the remuneration payable to, the officers and other employees of a Warehousing Corporation;
- (b) the manner in which and the conditions subject to which, shares of the Central Warehousing Corporation may be transferred;
- (c) the manner in which meetings of a Warehousing Corporation and the Executive Committee thereof shall be convened, the fees for attending such meetings, the Procedure to be followed thereat;
- (d) the duties and conduct of officers and employees of a Warehousing Corporation;
- (e) the duties which may be entrusted or delegated to the managing director of a Warehousing Corporation;
- (f) generally, the efficient conduct of the affairs of a Warehousing Corporation;

(3) The appropriate Government may, by notification in the Official Gazette, rescind any regulation which it has sanctioned and thereupon the regulation shall cease to have effect.

55. Amendment of the Reserve Bank of India Act, 1934.—In the Reserve Bank of India Act, 1934 (2 of 1934), in section 17, after clause (4B), the following clause shall be inserted, namely:—

“(4C) the making to a Warehousing Corporation established under the Agricultural Produce Development and Warehousing, Corporation Act, 1956 of loans and advances,—

- (a) repayable on demand or on the expiry of fixed periods not exceeding ninety days, from the date of such loan or advance, against securities of the Central Government or of any State Government, or
- (b) repayable on the expiry of fixed periods not exceeding eighteen months from the date of such loan or advance, against securities of the Central Government or of any State Government, of any maturity, or against bonds and debentures issued by the Corporation to which the loan or advance is made, and guaranteed by the Central or a State Government, and maturing within a period not exceeding eighteen months from the date of such loan or advance:

Provided that the amount of loans and advances granted under clause (b) shall not at any time exceed, in the aggregate, three crores of rupees in the case of the Central Warehousing Corporation and fifty lakhs of rupees in the case of a State Warehousing Corporation.”

THE SCHEDULE

(See section 46)

DECLARATION OF FIDELITY AND SECRECY

I declare that I will faithfully, truly and to the best of my judgment, skill and ability execute and perform the duties required of me as a director, officer, employee or auditor (as the case may be) of the Warehousing Corporation and which properly relate to any office or position in the said Corporation held by me.

I further declare that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the said Corporation nor will I allow any such person to inspect or have access to any books or documents belonging to, or in the possession of, the Corporation and relating to the business of the Corporation.

Signature.....
Signature.....
Signature.....

Signed before me

Date

Received Assent on 18-6-1956

THE LIFE INSURANCE CORPORATION ACT, 1956
(31 of 1956)

AN
ACT

to provide for the nationalisation of life insurance business in India by transferring all such business to a Corporation established for the purpose and to provide for the regulation and control of the business of the Corporation and for matters connected therewith or incidental thereto.

Be it enacted by Parliament in the Seventh Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. Short title and commencement.—(1) This Act may be called the Life Insurance Corporation Act, 1956.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. Definitions.—In this Act, unless the context otherwise requires,—

(1) “appointed day” means the date on which the Corporation is established under section 3;

(2) “composite insurer” means an insurer carrying on in addition to controlled business any other kind of insurance business;

(3) “controlled business” means—

(i) in the case of any insurer specified in sub-clause (a) (ii) or sub-clause (b) of clause (9) of section 2 of the Insurance Act and carrying on life insurance business—

(a) all his business, if he carries on no other class of insurance business;

(b) all the business appertaining to his life insurance business, if he carries on any other class of insurance business also;

(c) all his business, if his certificate of registration under the Insurance Act in respect of general insurance business stands wholly canceled for a period of more than six months on the 19th day of January, 1956;

(ii) in the case of any other insurer specified in clause (9) of section 2 of the Insurance Act and carrying on life insurance business—

(a) all his business in India, if he carries on no other class of insurance business in India;

(b) all the business appertaining to his life insurance business in India, if he carries on any other class of insurance business also in India;

(c) all his business in India, if his certificate of registration under the Insurance Act in respect of general insurance business in India stands wholly canceled for a period of more than six months on the 19th day of January, 1956;

Explanation.—An insurer is said to carry on no class of insurance business other than life insurance business, if, in addition to life insurance business, he carries on only capital redemption business or annuity certain business or both; and the expression “business appertaining to

his life insurance business” in sub-clauses (i) and (ii) shall be construed accordingly;

(iii) in the case of a provident society, as defined in section 65 of the Insurance Act, all its business;

(iv) in the case of the Central Government or a State Government, all life insurance business carried on by it, subject to the exceptions specified in section 44;

(4) “Corporation” means the Life Insurance Corporation of India established under section 3;

(5) “Insurance Act” means the Insurance Act, 1938 (4 of 1938);

(6) “Insurer” means an insurer as defined in the Insurance Act who carries on life insurance business in India and includes the Government and a provident society as defined in section 65 of the Insurance Act;

(7) “member” means a member of the Corporation;

(8) “prescribed” means prescribed by rules made under this Act;

(9) “Tribunal” means a Tribunal constituted under section 17 and having jurisdiction in respect of any matter under the rules made under this Act;

(10) all other words and expressions used herein but not defined and defined in the Insurance Act shall have the meanings respectively assigned to them in that Act.

CHAPTER II

ESTABLISHMENT OF LIFE INSURANCE CORPORATION OF INDIA

3. Establishment and incorporation of Life Insurance Corporation of India.—(1) With effect from such date as the Central Government may, by notification in the Official Gazette, appoint, there shall be established a Corporation called the Life Insurance Corporation of India.

(2) The Corporation shall be a body corporate having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property, and may by its name sue and be sued.

4. Constitution of the Corporation.—(1) The Corporation shall consist of such number of persons not exceeding fifteen as the Central Government may think fit to appoint thereto and one of them shall be appointed by the Central Government to be the Chairman thereof.

(2) Before appointing a person to be a member, the Central Government shall satisfy itself that that person will have no such financial or other interest as is likely to affect prejudicially the exercise or performance by him of his functions as a member, and the Central Government shall also satisfy itself from time to time with respect to every member that he has no such interest: and any person who is, or whom the Central Government proposes to appoint and who has consented to be a member shall, whenever required by the Central Government so to do, furnish to it such information as the Central Government considers necessary for the performance of its duties under this sub-section.

(3) A member who is in any way directly or indirectly interested in a contract made or proposed to be made by the Corporation shall, as soon as possible after the relevant circumstances have come to his knowledge, disclose the nature of his interest to the Corporation; and the member shall not take part in any deliberation or discussion of the Corporation with respect to that contract.

5. Capital of the Corporation.—(1) The original capital of the Corporation shall be five crores of rupees provided by the Central Government after due appropriation made by Parliament by law for the purpose, and the terms and conditions relating to the provision of such capital shall be such as may be determined by the Central Government.

(2) The Central Government may, on the recommendation of the Corporation, reduce the capital of the Corporation to such extent and in such manner as the Central Government may determine.

CHAPTER III

FUNCTIONS OF THE CORPORATION

6. **Functions of the Corporation.**—(1) Subject to the rules, if any, made by the Central Government in this behalf, it shall be the general duty of the Corporation to carry on life insurance business, whether in or outside India, and the Corporation shall so exercise its powers under this Act as to secure that life insurance business is developed to the best advantage of the community.

(2) Without prejudice to the generality of the provisions contained in sub-section (1) but subject to the other provisions contained in this Act, the Corporation shall have power—

- (a) to carry on capital redemption business, annuity certain business or reinsurance business in so far as such reinsurance business appertains to life insurance business;
- (b) subject to the rules, if any, made by the Central Government in this behalf, to invest the funds of the Corporation in such manner as the Corporation may think fit and to take all such steps as may be necessary or expedient for the protection or realisation of any investment; including the taking over of and administering any property offered as security for the investment until a suitable opportunity arises for its disposal;
- (c) to acquire, hold and dispose of any property for the purpose of its business;
- (d) to transfer the whole or any part of the life insurance business carried on outside India to any other person or persons, if in the interests of the Corporation it is expedient so to do;
- (e) to advance or lend money upon the security of any movable or immovable property or otherwise;
- (f) to borrow or raise any money in such manner and upon such security as the Corporation may think fit;
- (g) to carry on either by itself or through any subsidiary any other business in any case where such other business was being carried on by a subsidiary of an insurer whose controlled business has been transferred to and vested in the Corporation under this Act;
- (h) to carry on any other business which may seem to the Corporation to be capable of being conveniently carried on in connection with its business and calculated directly or indirectly to render profitable the business of the Corporation;
- (i) to do all such things as may be incidental or conducive to the proper exercise of any of the powers of the Corporation.

(3) In the discharge of any of its functions the Corporation shall act so far as may be on business principles.

CHAPTER IV

TRANSFER OF EXISTING LIFE INSURANCE BUSINESS TO THE CORPORATION

7. **Transfer of assets and liabilities of existing insurers carrying on controlled business.**—(1) On the appointed day there shall be transferred to and vested in the Corporation all the assets and liabilities appertaining to the controlled business of all insurers.

(2) The assets appertaining to the controlled business of an insurer shall be deemed to include all rights and powers, and all property whether, movable or immovable, appertaining to his controlled business, including, in particular, cash balances, reserve funds, investments, deposits and all other interests and rights in or arising out of such property as may be in the possession of the insurer and all books of account or documents relating to the controlled business of the insurer; and liabilities shall be deemed to include all debts, liabilities and obligations of whatever kind then existing and appertaining to the controlled business of the insurer.

Explanation.—The expression "assets appertaining to the controlled business of an insurer"—

(a) in relation to a composite insurer, includes that part of the paid up capital of the insurer or assets representing such part which has or have been allocated to the controlled business of the insurer in accordance with the rules made in this behalf;

(b) in relation to a Government, means the amount lying to the credit of that business on the appointed day.

(3) Where any such assets are subject to any trust referred to in sub-section (6) of section 27 of the Insurance Act or to any other trust for the benefit of policy-holders, the assets shall be deemed to have vested in the Corporation free from any such trust.

8. **Provident, superannuation and other like funds.**—(1)

Where an insurer whose controlled business is to be transferred to and vested in the Corporation under section 7, has established a provident or superannuation fund or any other like fund for the benefit of his employees and constituted a trust in respect thereof (hereinafter in this section referred to as an existing trust), the moneys standing to the credit of any such fund on the appointed day, together with any other assets belonging to such fund, shall, subject to the provisions of sub-section (2), stand transferred to and vested in the Corporation on the appointed day free from any such trust.

(2) Where all the employees of any such insurer do not become employees of the Corporation under section 11, the moneys and other assets belonging to any such fund as is referred to in sub-section (1), shall be apportioned between the trustees of the fund and the Corporation in the prescribed manner; and in case of any dispute regarding such apportionment, the decision of the Central Government thereon shall be final.

(3) The Corporation shall, as soon as may be after the appointed day, constitute in respect of the moneys and other assets which are transferred to and vested in it under this section, one or more trusts having objects as similar to the objects of the existing trusts as in the circumstances may be practicable.

(4) Where all the moneys and other assets belonging to an existing trust are transferred to and vested in the Corporation under this section, the trustees of such trust, shall as from the appointed day, be discharged from the trust, except as respects things done or omitted to be done before the appointed day.

9. General effect of vesting of controlled business.—(1) Unless otherwise expressly provided by or under this Act, all contracts, agreements and other instruments of whatever nature subsisting or having effect immediately before the appointed day and to which an insurer whose controlled business has been transferred to and vested in the Corporation is a party or which are in favour of such insurer shall in so far as they relate to the controlled business of the insurer be of as full force and effect against or in favour of the Corporation, as the case may be, and may be enforced or acted upon as fully and effectually as if, instead of the insurer, the Corporation had been a party thereto or as if they had been entered into or issued in favour of the Corporation.

(2) If on the appointed day any suit, appeal or other legal proceeding of whatever nature is pending by or against an insurer, then, in so far as it relates to his controlled business, it shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer to the Corporation of the business of the insurer or of anything done under this Act, but the suit, appeal or other proceeding may be continued, prosecuted and enforced by or against the Corporation.

10. Provisions as to composite insurers.—(1) For the removal of doubts it is hereby declared that in any case where an insurer whose controlled business has been transferred to and vested in the Corporation under this Act is a composite insurer, the provisions of the preceding sections shall only apply to the extent to which any property appertains to his controlled business and to rights and powers acquired, and to debts, liabilities and obligations incurred, and to contracts, agreements and other instruments made by the insurer for the purposes of his controlled business and to legal proceedings

relating to those purposes, and the provisions of those sections shall be construed accordingly.

(2) The Central Government may, by rules made in this behalf, provide—

- (a) for the determination of the question whether any property appertains to his controlled business or whether any rights, powers, debts, liabilities or obligations were acquired or incurred or any contract, agreement or other instrument was made by the insurer for the purposes of his controlled business or whether any documents relate to those purposes;
- (b) for the allocation of the paid-up capital or assets representing such paid-up capital, as the case may be, between the controlled business of the insurer and any other business;
- (c) for substituting for any agreements entered into by any insurer partly for the purposes of his controlled business and partly for other purposes separate agreements in the requisite terms and for any apportionments and indemnities consequent thereon;
- (d) for the severance of leases comprising property of which part only is transferred to and vested in the Corporation by virtue of this Act and for apportionments consequent on such severance;
- (e) for the apportionment and the making of financial adjustments with respect to any debts, liabilities or obligations incurred by any such insurer partly for the purposes of his controlled business and partly for other purposes and for any necessary variation of mortgages and encumbrances relating to such debts, liabilities or obligations;
- (f) for the apportionment of the moneys and other assets belonging to any provident or superannuation fund or any other like fund to which the provisions of section 8 do not apply between persons employed in connection with the controlled business of an insurer and other persons;
- (g) for any other matters supplementary to or consequential on the matters aforesaid for which provision appears to be necessary or expedient.

(3) All rules made under this section shall be laid for not less than thirty days before both House of Parliament as soon as possible after they are made, and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following.

(4) Where at any time before the expiration of six months from the appointed day a question has arisen under this section or under any rules made thereunder as to whether any property is or was held or used by the insurer for the purposes of his controlled business, the question shall be referred to the Tribunal for decision.

11. Transfer of service of existing employees of insurers to the Corporation.—(1) Every whole-time employee of an insurer whose controlled business has been transferred to and vested in the Corporation and who was employed by the insurer wholly or mainly in connection with his controlled business immediately before the appointed day shall, on and from the appointed day, become an employee of the Corporation, and shall hold his office therein by the same tenure, at the same remuneration and upon the same terms and conditions and with the same rights and privileges as to pension and gratuity and other matters as he would have held the same on the appointed day if this Act had not been passed, and shall continue to do so unless and until his employment in the Corporation is terminated or until his remuneration, terms and conditions are duly altered by the Corporation:

Provided that nothing contained in this sub-section shall apply to any such employee who has, by notice in writing given to the Central Government prior to the appointed day, intimated his intention of not becoming an employee of the Corporation.

(2) Notwithstanding anything contained in sub-section (1) or in any contract of service, the Central Government

may, for the purpose of rationalising the pay scales of employees of insurers whose controlled business has been transferred to and vested in it or for the purpose of reducing the remuneration payable to employees in cases where in the interest of the Corporation and its policy-holders a reduction is called for, alter the terms of service of the employees as to their remuneration in such manner as it thinks fit; and if the alteration is not acceptable to any employee the Corporation may terminate his employment on giving him compensation equivalent to three months' remuneration unless the contract of service with such employee provides for a shorter notice of termination.

Explanation.—The compensation payable to an employee under this sub-section shall be in addition to and shall not affect any pension, gratuity, provident fund money or any other benefit to which the employee may be entitled under his contract of service.

(3) If any question arises as to whether any person was a whole-time employee of an insurer or as to whether any employee was employed wholly or mainly in connection with the controlled business of an insurer immediately before the appointed day the question shall be referred to the Central Government whose decision shall be final.

(4) Notwithstanding anything contained in the Industrial Disputes Act, 1947 (14 of 1947), or in any other law for the time being in force, the transfer of the services of any employee of an insurer to the Corporation shall not entitle any such employee to any compensation under that Act or other law, and no such claim shall be entertained by any court, tribunal or other authority.

12. Transfer of services of existing employees of chief agents of insurers to the Corporation in certain cases.—Subject to such rules as the Central Government may make in this behalf, every whole-time salaried employee of a chief agent of an insurer whose controlled business has been transferred to and vested in the Corporation and,—

- (a) who was employed by the chief agent wholly or mainly in connection with the controlled business of the insurer;
- (b) whose salary on the appointed day did not exceed five hundred rupees per mensem; and
- (c) who was in the employment of the chief agent for a continuous period of not less than one year immediately before the appointed day;

shall, on and from the appointed day, become an employee of the Corporation and the provisions of section 11 shall, so far as may be, apply in relation to such employee as they apply in relation to a whole-time employee of the insurer:

Provided that this section shall not apply except in cases where the chief agent of the insurer was required under the terms of his contract with the insurer to render the prescribed services to policy-holders of the insurer.

Explanation.—In the case of a whole-time salaried employee of a chief agent who has been retrenched by the chief agent on or after the 19th day of January, 1956, the provisions of this section shall apply as if for the words 'the appointed day' the words and figures 'the 19th day of January, 1956' had been substituted.

13. Duty to deliver possession of property and documents relating thereto.—(1) Where any property appertaining to the controlled business of an insurer has been transferred to and vested in the Corporation under this Act, then,—

- (a) every person, in whose possession, custody or control any such property may be, shall deliver the property to the Corporation forthwith;
- (b) any person who, on the appointed day, has in his possession, custody or control any books, documents or other papers relating to such controlled business shall be liable to account for the said books, documents and papers to the Corporation, and shall deliver them to the Corporation or to such person as the Corporation may direct.

(2) In particular, all the assets of an insurer appertaining to life insurance business held in deposit by the Reserve Bank of India under the Insurance Act or by trustees in trust shall be delivered to the Corporation.

(3) Without prejudice to the other provisions contained in this section, it shall be lawful for the Corporation to take all necessary steps for securing possession of all properties which have been transferred to and vested in it under this Act.

14. Power of Corporation to modify contracts the life insurance in certain cases.—The Corporation may, having regard to the financial condition on the appointed day of any insurer whose controlled business has been transferred to and vested in the Corporation, reduce the amounts of insurance under contracts of life insurance entered into by such insurer before the 19th day of January, 1956, in such manner and subject to such conditions as it thinks fit:

Provided that no such reduction shall be made except in accordance with a scheme prepared by the Corporation in this behalf and approved by the Central Government.

15. Right of corporation to seek relief in respect of certain transactions of the insurer.—(1) Where an insurer whose controlled business has been transferred to and vested in the Corporation under this Act has, at any time within five years before the 19th day of January, 1956,—

- (a) made any payment to any person without consideration;
- (b) sold or disposed of any property of the insurer without consideration or for an inadequate consideration;
- (c) acquired any property or rights for an excessive consideration;
- (d) entered into or varied any agreement so as to require an excessive consideration to be paid or given by the insurer;
- (e) entered into any other transaction of such an onerous nature as to cause a loss to, or impose a liability on, the insurer exceeding any benefit accruing to the insurer;
- (f) if a composite insurer, transferred any property from his life department to his general department without consideration or for an inadequate consideration;

and the payment, sale, disposal, acquisition, agreement or variation thereof or other transaction or transfer was not reasonably necessary for the purpose of the controlled business of the insurer or was made with an unreasonable lack of prudence on the part of the insurer, regard being had in either case to the circumstances at the time, the Corporation may apply for relief to the Tribunal in respect of such transaction, and all parties to the transaction shall, unless the Tribunal otherwise directs, be made parties to the application.

(2) The Tribunal may make such order against any of the parties to the application as it thinks just having regard to the extent to which those parties were respectively responsible for the transaction or benefited from it and all the circumstances of the case.

(3) Where an application is made to the Tribunal under this section in respect of any transaction and the application is determined in favour of the Corporation, the Tribunal shall have exclusive jurisdiction to determine any claims outstanding in respect of the transaction.

16. Compensation for acquisition of controlled business.—(1) Where the controlled business of an insurer has been transferred to and vested in the Corporation under this Act, compensation shall be given by the Corporation to that insurer in accordance with the principles contained in the First Schedule.

(2) The amount of the compensation to be given in accordance with the aforesaid principles shall be determined by the Corporation in the first instance, and if the amount so determined is approved by the Central Government it shall be offered to the insurer in full satisfaction

of the compensation payable to him under this Act, and if, on the other hand, the amount so offered is not acceptable to the insurer he may within such time as may be prescribed for the purpose have the matter referred to the Tribunal for decision.

17. Constitution of Tribunals.—(1) The Central Government may for the purposes of this Act constitute one or more Tribunals and each of the Tribunals shall consist of three members appointed by the Central Government one of whom shall be a person who is, or has been, a Judge of a High Court or has been a Judge of the Supreme Court, and he shall be the Chairman thereof.

(2) A Tribunal may choose one or more persons possessing special knowledge of any matter relating to any case under inquiry to assist the Tribunal in determining any question which has to be decided by it under this Act.

(3) Every Tribunal shall have the powers of a civil court while trying a suit under the Code of Civil Procedure, 1908, (5 of 1908) in respect of the following matters:—

- (a) summoning and enforcing the attendance of any person and examining him on oath;
- (b) requiring the discovery and production of documents;
- (c) receiving evidence on affidavits;
- (d) issuing commissions for the examination of witnesses or documents.

(4) Every Tribunal shall have power to regulate its own procedure and decide all matters within its competence, and may review any of its decisions in the event of there being a mistake on the face of the record or correct any arithmetical or clerical error therein.

CHAPTER V MANAGEMENT

18. Offices, Branches and agencies.—(1) The central office of the Corporation shall be at such place as the Central Government may, by notification in the Official Gazette, specify.

(2) The Corporation shall establish a zonal office at each of the following places, namely, Bombay, Calcutta, Delhi, Kanpur and Madras, and, subject to the previous approval of the Central Government, may establish such other zonal offices as it thinks fit.

(3) The territorial limits of each zone shall be such as may be specified by the Corporation.

(4) There may be established as many divisional offices and branches in each zone as the Zonal Manager thinks fit.

19. Committees of the Corporation.—(1) The Corporation may entrust the general superintendence and direction of its affairs and business to an Executive Committee consisting of not more than five of its members and the Executive Committee may exercise all powers and do all such acts and things as may be delegated to it by the Corporation.

(2) The Corporation may also constitute an Investment Committee for the purpose of advising it in matters relating to the investment of its funds, and the Investment Committee shall consist of not more than seven members of whom not less than three shall be members of the Corporation and the remaining members shall be persons (whether members of the Corporation or not) who have special knowledge and experience in financial matters, particularly, matters relating to investment of funds.

(3) The Corporation may constitute such other Committees as it may think fit for the purpose of discharging such of its functions as may be delegated to them.

20. Managing Directors.—The Corporation may appoint one or more persons to be the Managing Director or Directors of the Corporation, and every Managing Director shall be a whole-time officer of the Corporation, and shall exercise such powers and perform such duties as may be entrusted or delegated to him by the Executive Committee or the Corporation.

21. Corporation to be guided by the directions of Central Government.—In the discharge of its functions under this Act, the Corporation shall be guided by such directions in matters of policy involving public interest as the Central Government may give to it in writing; and if any question arises whether a direction relates to a matter of policy involving public interest the decision of the Central Government thereon shall be final.

22. Zonal Managers.—(1) The Corporation may entrust the superintendence and direction of the affairs and business of a zonal office to a person, whether a member or not, who shall be known as the Zonal Manager and the Zonal Manager shall perform all such functions of the Corporation as may be delegated to him with respect to the area within the jurisdiction of the zonal office.

• (2) The Corporation may constitute for each zone a Board consisting of such number of persons as it thinks fit to appoint thereto for the purpose of advising the Zonal Manager in respect of such matters as are referred to it under the regulations made by the Corporation.

(3) The Corporation shall constitute in the prescribed manner for each zonal office an Employees and Agents Relations Committee consisting of such number of persons as it thinks fit and every such Committee shall consist of representatives of the Corporation and of its employees and agents, so however, that the number of representatives of the employees and agents on the Committee shall not be less than the number of representatives of the Corporation and it shall be the duty of the Committee to advise the Zonal Manager on matters which relate to the welfare of the employees and agents of the Corporation or which are likely to promote and secure amity and good relations between them and the Corporation.

23. Staff of the Corporation.—(1) For the purpose of enabling it to discharge its functions under this Act, the Corporation may employ such number of persons as it thinks fit.

(2) Every person employed by the Corporation or whose services have been transferred to the Corporation under this Act, shall be liable to serve anywhere in India.

CHAPTER VI FINANCE, ACCOUNTS AND AUDIT

24. Funds of the Corporation.—The Corporation shall have its own fund and all receipts of the Corporation shall be credited thereto and all payments of the Corporation shall be made therefrom.

25. Audit.—(1) The accounts of the Corporation shall be audited by auditors duly qualified to act as auditors of companies under the law for the time being in force relating to companies, and the auditors shall be appointed by the Corporation with the previous approval of the Central Government and shall receive such remuneration from the Corporation as the Central Government may fix.

(2) Every auditor in the performance of his duties shall have at all reasonable times access to the books, accounts and other documents of the Corporation.

(3) The auditors shall submit their report to the Corporation and shall also forward a copy of their report to the Central Government.

26. Actuarial valuations.—The Corporation shall, once at least in every two years, cause an investigation to be made by actuaries into the financial condition of the business of the Corporation, including a valuation of the liabilities of the Corporation, and submit the report of the actuaries to the Central Government.

27. Annual report of activities of Corporation.—The Corporation shall as soon as may be, after the end of each financial year, prepare and submit to the Central Government in such form as may be prescribed a report giving an account of its activities during the previous financial year, and the report shall also give an account of the activities, if any, which are likely to be undertaken by the Corporation in the next financial year.

28. Surplus how to be utilised.—If as a result of any investigation undertaken by the Corporation under

section 26 any surplus emerges, not less than 95 per cent. of such surplus shall be allocated to or reserved for the policy-holders of the Corporation and the remainder may be utilised for such purposes and in such manner as the Central Government may determine.

29. Reports to be laid before Parliament.—The Central Government shall cause the report of the auditors under section 25, the report of the actuaries under section 26 and the report giving an account of the activities of the Corporation under section 27 to be laid before both Houses of Parliament as soon as may be after each such report is received by the Central Government.

CHAPTER VII MISCELLANEOUS

30. Corporation to have the exclusive privilege of carrying on life insurance business.—Except to the extent otherwise expressly provided in this Act, on and from the appointed day the Corporation shall have the exclusive privilege of carrying on life insurance business in India; and on and from the said day any certificate of registration under the Insurance Act held by any insurer immediately before the said day shall cease to have effect in so far as it authorises him to carry on life insurance business in India.

31. Exception in the case of insurance business in respect of persons residing outside India.—(1) Notwithstanding anything contained in section 30 or in the Insurance Act, the Central Government may, by order, permit any person who has made an application in that behalf, to carry on life insurance business in India in respect of the lives of persons ordinarily resident outside India, subject to such restrictions and conditions as may be specified in the order and any such order shall be deemed to have effect as if it were a certificate of registration issued by the Controller to such person under section 3 of the Insurance Act in respect of that class of business.

(2) Nothing in sub-section (1) shall authorise any person permitted to carry on life insurance business of the nature referred to in that sub-section, to insure the life of any person ordinarily resident outside India, during any period of his temporary residence in India.

32. Power of Corporation to have official seal in certain cases.—The Corporation may have for use in any zonal office, divisional office or in any office outside India an official seal which shall be a *facsimile* of the common seal of the Corporation, with the addition on its face of the name of the zonal office, divisional office or other office where it is to be used, and any such official seal may be affixed to any deed or document to which the Corporation is a party.

33. Requirement of foreign laws to be complied with in certain cases.—Where any property or rights appertaining to the controlled business of an insurer are transferred to and vested in the Corporation under this Act or would be so transferred and vested but for the fact that such transfer and vesting are governed otherwise than by the law of India, the insurer shall comply with such directions as may be given to him by the Corporation for the purpose of securing that the ownership of the property or, as the case may be, that the right is effectively transferred to the Corporation.

34. Revesting of certain shares vested in the Administrator General.—Notwithstanding anything contained in the Insurance Act, all shares which have vested in the Administrator General of any State under sub-section (8) of section 6A of that Act and which have not been disposed of in accordance with the provisions of that sub-section before the appointed day, shall, on payment of the amount of expenditure, if any, incurred by the Administrator General in relation to such shares by the persons who would have been entitled to those shares if the said sub-section had not been enacted, revest in such persons.

35. Repatriation of assets and liabilities in the case of foreign insurers in certain cases.—(1) Any insurer incorporated outside India may, before the appointed day, make an application to the Central Government stating that among the assets appertaining to the controlled business of the insurer there are assets brought into

India by the insurer for the purpose of building up his life insurance business in India which, notwithstanding anything contained in section 7, should not be transferred to and vested in the Corporation.

(2) On receipt of an application under sub-section (1), the Central Government shall determine the value of the assets of the insurer appertaining to his controlled business in existence on the 31st day of December, 1955, computed as at that date in accordance with the provisions contained in paragraph 3 of Part B of the First Schedule, and deduct therefrom the total amount of the liabilities of the insurer appertaining to his controlled business in existence on the 31st day of December, 1955, computed as at that date in accordance with the provisions contained in the Second Schedule; and if there is any excess, the Central Government may, by order, direct that such assets equivalent in value to the excess as may be specified in the order shall not be transferred to or vested in the Corporation, or where the order is made after the appointed day, that the Corporation shall be divested of the said assets.

(3) In the case of any insure incorporated outside India, the Central Government may also, by order, direct that any such liabilities in respect of life insurance policies expressed in any foreign currency issued on the lives of persons who are not citizens of India as are specified in the order together with any such assets necessary to meet the liabilities, as may be so specified, shall not be transferred to or vested in the Corporation or, if the order is made after the appointed day, that the Corporation shall be divested of such liabilities and assets as aforesaid.

(4) The amount of liabilities in respect of the policies referred to in an order made under sub-section (3) shall be computed as at the 31st day of December, 1955,—

- (a) in any case where in respect of the insurer concerned an order has been made under sub-section (2), in accordance with the provisions contained in clause (b) of the Second Schedule; and
- (b) in any other case, in accordance with method A specified in the Second Schedule.

Explanation.—In computing the amount of liabilities in respect of the policies referred to in this sub-section, allowance shall be made for receipts and payments in respect of such policies from the 31st day of December, 1955, upto the date of the order.

(5) Every order made by the Central Government under this section shall be carried out by the Corporation in such manner as the Central Government may direct.

36. Contracts of chief agents and special agents to terminate.—Notwithstanding anything contained in the Insurance Act or in any other law for the time being in force, every contract appertaining to controlled business subsisting immediately before the appointed day,—

- (a) between an insurer and his chief agent or between an insurer and a special agent; or
- (b) between the chief agent of an insurer and a special agent;

shall, as from the appointed day, cease to have effect and all rights accruing to the chief agent or the special agent under any such contract shall terminate on that day:

Provided that in every such case compensation shall be given by the Corporation to the chief agent or the special agent, as the case may be, in accordance with the principles contained in the Third Schedule, and the provisions of sub-section (2) of section 16 shall, so far as may be, apply in every such case.

37. Policies to be guaranteed by Central Government.—The sums assured by all policies issued by the Corporation including any bonuses declared in respect thereof and, subject to the provisions contained in section 14 the amounts assured by all policies issued by any insurer the liabilities under which have vested in the Corporation under this Act, and all bonuses declared in respect thereof, whether before or after the appointed day, shall be guaranteed as to payment in cash by the Central Government.

38. Liquidation of Corporation.—No provision of law relating to the winding up of companies or corporations shall apply to the Corporation established under this Act, and the Corporation shall not be placed in liquidation save by order of the Central Government and in such manner as that Government may direct.

39. Special provisions for winding up of certain insurers.—Where any insurer being a company (other than a composite insurer) whose controlled business has been transferred to and vested in the Corporation under this Act has in accordance with the provisions of this Act collected and distributed any moneys paid to him by the Corporation by way of compensation or otherwise and has also complied with any direction given to him by the Corporation for the purpose of securing that the ownership of any property or any right is effectively transferred to the Corporation, the Central Government may on application being made to it in this behalf by such insurer grant a certificate to the insurer that there is no reason for the continued existence of the insurer and where such a certificate has been granted shall cause the certificate to be published in the Official Gazette and upon the publication thereof the insurer shall be dissolved.

40. Penalty for withholding property, etc.—If any person wilfully withholds or fails to deliver to the Corporation as required by section 13, any property or any books, documents or other papers which may be in his possession or unlawfully retains possession of any property of an insurer which has been transferred to and vested in the Corporation under this Act or wilfully applies any such property to purposes other than those expressed in or authorised by this Act, he shall, on the complaint of the Corporation, be punishable with imprisonment which may extend to one year, or with fine which may extend to one thousand rupees, or with both.

41. Tribunal to have exclusive jurisdiction in certain matters.—No civil court shall have jurisdiction to entertain or adjudicate upon any matter which a Tribunal is empowered to decide or determine under this Act.

42. Enforcement of decision of Tribunal.—Any decision of a Tribunal may be enforced in any civil court within the local limits of whose jurisdiction the person against whom the decision is to be enforced actually and voluntarily resides or carries on business or personally works for gain or owns any property, as if it were a decree passed by that court.

43. Application of the Insurance Act.—(1) The following sections of the Insurance Act shall, so far as may be, apply to the Corporation as they apply to any other insurer, namely:—

Sections 2, 2B, 3, 18, 26, 33, 38, 39, 41, 45, 46, 47A, 50, 51, 52, 110A, 110B, 110C, 119, 121, 122, and 123.

(2) The Central Government shall as soon as may be after the commencement of this Act, by notification in the Official Gazette, direct that the following sections of the Insurance Act shall apply to the Corporation subject to such conditions and modifications as may be specified in the notification, namely:—

Sections 2D, 10, 11, 13, 14, 15, 20, 21, 22, 23, 25, 27A, 28A, 35, 36, 37, 40, 40A, 40B, 43, 44, 102 to 106, 107 to 110, 111, 113, 114 and 116A.

(3) The Central Government may, by notification in the Official Gazette, direct that all or any of the provisions of the Insurance Act other than those specified in sub-section (1) or sub-section (2), shall apply to the Corporation subject to such conditions and modifications as may be specified in the notification.

(4) Every notification issued under sub-section (2) or sub-section (3) shall be laid for not less than thirty days before both Houses of Parliament as soon as possible after it is issued, and shall be subject to such modifications as Parliament may make during the session in which it is so laid or the session immediately following.

(5) Save as provided in this section, nothing contained in the Insurance Act shall apply to the Corporation.

44. Act not to apply in certain cases.—Nothing contained in this Act shall apply in relation to—

(a) any insurer whose business is being voluntarily

wound up or is being wound up under the orders of the court;

(b) any insurer to whom the Insurance Act does not apply by reason of the provisions contained in section 2E thereof;

(c) any composite insurer in respect of the management of whose affairs an Administrator has been appointed under section 52A of the Insurance Act;

(d) the scheme run by the Central Government known as the Post Office Life Insurance Fund;

(e) any approved superannuation fund as defined in clause (a) of section 58N of the Indian Income-tax Act, 1922 (II of 1922), which is in existence on the appointed day;

(f) any scheme in existence on the appointed day or any scheme framed after the appointed day with the approval of the Central Government whereby, in consideration of certain compulsory deductions made by Government from the salaries of its employees as part of the conditions of service, the payment of money is assured by Government on the death of the employee concerned or on the happening of any contingency dependent on his life.

45. Special provisions regarding certain composite insurer.—Notwithstanding anything contained in clause (c) of section 44, the Administrator appointed to manage the affairs of a composite insurer under the Insurance Act shall, as soon as may be practicable after the commencement of this Act, take steps in the prescribed manner,—

(a) to transfer the assets and liabilities appertaining to the controlled business of the insurer, to the Corporation; and

(b) to vest the management of the affairs of the insurer in respect of any other kind of business, in the person entitled thereto.

46. Defects in constitution of Corporation or Committees not to invalidate acts or proceedings.—No act or proceeding of the Corporation or of any Committee of the Corporation shall be called in question on the ground merely of the existence of any vacancy or defect in the constitution of the Corporation or Committee, as the case may be.

47. Protection of action taken under Act.—No suit, prosecution or other legal proceeding shall lie against any member or employee of the Corporation for anything which is in good faith done or intended to be done under this Act.

48. Power to make rules.—(1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the term of office and the conditions of service of members;

(b) the manner in which the moneys and other assets belonging to any such fund as is referred to in section 8 shall be apportioned between the trustees, of the fund and the Corporation;

(c) the services which the chief agent should have rendered for the purpose of the proviso to section 12;

(d) the jurisdiction of the Tribunals constituted under section 17;

(e) the manner in which, and the persons to whom, any compensation under this Act may be paid;

(f) the time within which any matter which may be referred to a Tribunal for decision under this Act may be so referred;

(g) the manner in which and the conditions subject to which investment may be made by the Corporation;

(h) the manner in which an Employees and Agents Relations Committee may be constituted for each zonal office;

(i) the form in which the report giving an account of the activities of the Corporation shall be prepared;

(j) the conditions subject to which the Corporation may appoint employees;

(k) the fees payable under this Act and the manner in which they are to be collected;

(l) any other matter which has to be or may be prescribed.

(3) All rules made under this section shall be laid for not less than thirty days before both Houses of Parliament as soon as possible after they are made, and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following.

49. Power to make regulations.—(1) The Corporation may, with the previous approval of the Central Government, by notification in the Gazette of India, make regulations not inconsistent with this Act and the rules made thereunder to provide for all matters for which provision is expedient for the purpose of giving effect to the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for—

(a) the powers and functions of the Corporation which may be delegated to the Zonal Managers;

(b) the method of recruitment of employees and agents of the Corporation and the terms and conditions of service of such employees or agents;

(c) the number, term of office and conditions of service of members of Boards constituted under section 22;

(d) the territorial limits of each zone established under this Act and the business to be transacted in each zone;

(e) the manner in which the Fund of the Corporation shall be maintained;

(f) the maintenance of separate funds and accounts at each of the zonal offices;

(g) the jurisdiction of each divisional office and the establishment of Councils representative of policy holders in each area served by a divisional office for the purpose of advising the divisional office in respect of any matter which may be referred to it;

(h) the conduct of business at meetings of the Corporation;

(i) the formation of Committees of the Corporation and the delegation of powers and functions of the Corporation to such Committees, and the conduct of business at meetings of such Committee;

(j) the form and manner in which policies may be issued and contracts binding on the Corporation may be executed;

(k) the classification of policies, whether issued by the Corporation or by any insurer whose controlled business has been transferred to and vested in the Corporation for the purpose of declaring differential bonuses, wherever necessary;

(l) the manner in which and the intervals within which the accounts of the various zonal offices, divisional offices and branch offices may be inspected and their accounts audited;

(m) the conditions subject to which any payment may be made by the Corporation.

THE FIRST SCHEDULE (See section 16)

PRINCIPLES FOR DETERMINING COMPENSATION

PART A

The compensation to be given by the Corporation to an insurer having a share capital on which dividend or bonus is payable, who has allocated as bonus to policy-holders the whole or any part of the surplus as disclosed in the abstracts prepared in accordance with Part II of the Fourth Schedule to the Insurance Act in respect of the last actuarial investigating relating to his controlled business as at a date earlier than the 1st day of January,

1955, shall be computed in accordance with the provisions contained in paragraph 1 or paragraph 2, whichever is more advantageous to the insurer.

Paragraph 1.—Twenty times the annual average of the share of the surplus allocated to share-holders as disclosed in the abstracts aforesaid in respect of the relevant actuarial investigations multiplied by a figure which represents the proportion that the average business in force during the calendar years 1950 to 1955 bears to the average business in force during the calendar years comprised in the period between the date as at which the actuarial investigation immediately preceding the earliest of the relevant actuarial investigations was made and the date as at which the last of such investigations was made.

Paragraph 2.—Half the amount payable under paragraph 1 plus the paid-up capital or assets equivalent thereto, or, in the case of a composite insurer, that part of the paid-up capital or assets equivalent thereto which has or have been transferred to and vested in the Corporation under this Act less the amount, if any, of expenses or losses or both capitalised by the insurer for the purposes of Form A in the First Schedule to the Insurance Act.

Explanation 1.—For the purposes of paragraph 1,—

- (a) "relevant actuarial investigations" means such minimum number of latest actuarial investigations as at dates earlier than the 1st day of January, 1955 (not being less than two in any case), as would leave the period intervening between the date as at which the actuarial investigation immediately preceding the first of such investigations was made and the date as at which the last of such investigations was made to be not less than four years;
- (b) "average business in force" means the average of total sums assured by the insurer (including any bonus) in respect of his controlled business as on the 31st day of December of each of the relevant calendar years.

Explanation 2.—For the purposes of paragraph 1, where an insurer has allocated to share-holders more than 5 per cent. of any such surplus as is referred to therein, the insurer shall be deemed to have allocated only 5 per cent. of the surplus and where an insurer has not allocated any such surplus to share-holders or has allocated to share-holders less than 3-1/2 per cent. of any such surplus, the insurer shall be deemed to have allocated 3-1/2 per cent. of the surplus.

Explanation 3.—In the case of any insurer incorporated outside India, the annual average of the share of the surplus allocated to share-holders for the purposes of paragraph 1 shall be deemed to be the annual average of the surplus as disclosed in the abstracts prepared in accordance with Part II of the Fourth Schedule to the Insurance Act in respect of the relevant actuarial investigations multiplied by a figure which is the average of the two figures mentioned below:—

- (i) a figure representing the proportion which the share allocated to share-holders out of the surplus in respect of the world business of the insurer (such share being computed subject to the provisions of *Explanation 2*) bears to the whole of such surplus ascertained with reference to the last actuarial investigation relating to such business as at a date earlier than the 1st day of January, 1955; and
- (ii) a figure representing the proportion which the share allocated to share-holders out of the surplus in respect of the world business of the insurer (such share being computed subject to the provisions of *Explanation 2*) bears to the whole of such surplus as ascertained with reference to the actuarial investigation relating to such business immediately preceding the actuarial investigation referred to in clause (i):

Provided that in the case of any such insurer in respect of whom an order has been made under section 35 the amount computed as follows shall be deemed to be the annual average of the surplus:—

- (a) there shall be deducted from the annual average of the surplus, interest at 3 1/2 per cent. per annum for one year calculated on the assets specified in any order made under sub-section (2) of section 53;
- (b) With respect to the balance arrived at under clause (a), there shall be computed an amount that bears the same proportion to the said balance as the liability on policies appertaining to the controlled business of the insurer, other than those expressed in any foreign currency issued on the lives of persons who are not citizens of India, bears to the liability in respect of all policies appertaining to such business, the liabilities on policies being computed as at the 31st day of December, 1955, in accordance with the provisions contained in clause (b) of the Second Schedule:

Provided further that—

- (a) in any case where the order made under section 35 is with reference to sub-section (2) only, the preceding proviso shall have effect as if clause (b) had been omitted therefrom; and
- (b) in any case where the order made under section 35 is with reference to sub-section (3) only, the preceding proviso shall have effect as if—
 - (i) clause (a) had been omitted;
 - (ii) in clause (b), the words, brackets and letter "with respect to the balance arrived at under clause (a)" had been omitted; for the words "the said balance" the words "annual average of the surplus" had been substituted; and for the words, brackets and letter "with the provisions contained in clause (b) of" the words and letter "with method A specified in" had been substituted.

Explanation 4.—Where an insurer is an insurer incorporated outside India whose paid-up capital is outside India—

- (a) the provisions contained in paragraph 1 shall have effect as if the words "less a sum equal to that part of the paid-up capital of the insurer as may be determined by the Central Government to be allocable to the controlled business of the insurer" were inserted at the end of that paragraph; and
- (b) the provisions contained in paragraph 2 shall have effect as if,—
 - (i) the words "without making the deduction referred to in clause (a) of *Explanation 4*" had been inserted after the words "half the amount payable under paragraph 1"; and
 - (ii) the words beginning with "plus the paid-up capital" and ending with "in the First Schedule to the Insurance Act" had been omitted.

PART B

The compensation to be given by the Corporation to an insurer having a share capital on which dividend or bonus is payable who has not made any such allocation as is referred to in Part A in respect of the last actuarial investigation as at a date earlier than the 1st day of January, 1955, shall be an amount equal to the value of the assets of the insurer appertaining to his controlled business in existence, on the 19th day of January, 1956, computed as at that date in accordance with the provisions of paragraph 3 less the amount of liabilities of the insurer appertaining to such business in existence on the 19th day of January, 1956, computed as at that date in accordance with the provisions of paragraph 4.

Paragraph 3.—Assets. (a) The market value of any land or buildings.

(b) The market value of any shares, securities or other investments held by the insurer.

(c) The total amount of the premiums paid by the insurer in respect of all leasehold properties reduced in the case of each such premium by an amount which bears to such premium the same proportion as the expired term of the lease in respect of which such

premium shall have been paid bears to the total term of the lease.

(d) The amount of debts due to the insurer, whether secured or unsecured, to the extent to which they are reasonably considered to be recoverable.

(e) the amount of premiums which have fallen due to the insurer on policies of life insurance but have not been paid and the days of grace for payment of which have not expired.

(f) The amount of cash held by the insurer whether in deposit with a bank or otherwise.

(g) The value of all tangible assets other than those falling within any of the preceding clauses.

Paragraph 4—Liabilities.—(a) The total amount of liabilities of the insurer to holders of policies in respect of his controlled business on account of matured claims on which payment has to be made.

(b) The total amount of liabilities of the insurer to holders of policies in respect of his controlled business which have not matured for payment, the liabilities in respect thereof being calculated on the following actuarial bases:—

(i) in respect of whole-life assurances and endowment assurances, the mortality table to be used shall be the Oriental (25-35) ultimate mortality table, and an interest rate of $3\frac{1}{2}$ per cent. per annum shall be assumed and for expenses 20 per cent. of office premiums in the case of with profit policies and 15 percent. of office premiums in the case of non-profit policies shall be reserved;

(ii) in respect of other policies such actuarial basis determined by the actuary making the valuation as may be consistent with the basis specified in clause (i); and

(iii) in determining the liabilities of insurers under clause (b) the actuary shall make all the usual provisions and reserves as are ordinarily done in such cases.

(c) The total amount of all other liabilities of the insurer.

(d) Where, as a result of the actuarial valuation of policy liabilities made under clause (b), the life insurance fund is shown to be in surplus, a sum equal to 96 per cent. of such surplus shall be deemed to be a liability under this paragraph.

Explanation.—For the purposes of this Part, in the case of an insurer incorporated outside India in respect of whom an order under section 35 has been made, the assets or the assets and liabilities, as the case may be, specified in the order shall be excluded.

Paragraph 5.—If the insurer to whom compensation is to be given under this Part is a displaced insurer, the compensation to be given shall be computed in accordance with the following provisions:—

Firstly, there shall be ascertained the losses incurred by the displaced insurer in respect of claims arising by deaths established by the displaced insurer to have been caused by the civil disturbances which took place on the occasion of the setting up of the Dominions of India and Pakistan, the total loss being taken as the difference between the amounts paid as claims in respect of such deaths and the total amount of the actuarial reserve in respect of the relevant policies;

Secondly, there shall be ascertained the difference between the market value as at the 15th day of August, 1947, of any immovable property in West Pakistan belonging to the displaced insurer and the market value thereof determined under Paragraph 3 of this part, or, where any such immovable property has been sold before the 19th day of January, 1956, the difference between the market value thereof as at the 15th day of August, 1947, and the sale price;

Thirdly, there shall be ascertained the amount of deposits held by the displaced insurer in banks which could not be withdrawn on account of a moratorium declared under any law for the

time being in force, to the extent to which such deposits have become losses;

Fourthly, there shall be ascertained the difference between the market value as at the 15th day of August, 1947, of any shares in any company now carrying on business in West Pakistan held by the displaced insurer and which had been acquired before the 15th day of August, 1947, and the market value of such shares as at the 19th day of January, 1956.

The amount of compensation to be given to the displaced insurer under this Part shall be—

(a) the amount which would have to be given to him if this Paragraph had not been enacted, *plus*

(b) an amount which represents one-half of the difference between the compensation which would have to be given to him if to the value of the assets referred to in Paragraph 3 there had been added the sum of the four items referred to in this Paragraph and with respect to the liabilities referred to in Paragraph 4, the life insurance fund had been increased by a like sum, and the compensation which would have to be given to him if this Paragraph had not been enacted

or
one-half of the paid-up capital of the displaced insurer whichever is less.

Explanation.—For the purposes of this Paragraph “displaced insurer” means an insurance company whose registered office during any part of the year 1947 was in any area now forming part of West Pakistan and whose registered office is now in India.

PART C

The compensation to be given by the Corporation to an insurer—

(a) having no share capital; or

(b) having a share capital on which a dividend or bonus is not payable;

shall be in the form of an addition at the rate of rupee one per thousand in respect of the sum assured (excluding bonuses) under each with-profit policy, and in the case of an insurer falling under clause (b), such compensation shall also include a sum equivalent to the paid-up capital of the insurer to be paid to him.

THE SECOND SCHEDULE

(See section 35)

PRINCIPLES FOR DETERMINING THE VALUE OF LIABILITIES IN CERTAIN CASES

The total amount of the liabilities of an insurer incorporated outside India for the purposes of sub-section (2) of section 35 shall be the sum of the amounts computed in accordance with the following provisions:—

(a) the total amount of liabilities of the insurer to holders of policies in respect of his controlled business on account of matured claims on which payment has to be made;

(b) the total amount of liabilities of the insurer to holders of policies in respect of his controlled business which have not matured for payment, the liabilities in respect thereof being the liabilities calculated in accordance with method B below or the mean of the liabilities calculated in accordance with method A and method B below, whichever is greater.

Method A.—Actuarial liability calculated on the same bases as adopted by the insurer at the last actuarial investigation as at a date earlier than the 1st day of January, 1955.

Method B.—Actuarial liability calculated on the method known as the modified net premium method of valuation, the mortality table to be used being the Oriental (25-35) ultimate mortality table, an interest rate of $2\frac{1}{2}$ per cent. per annum being assumed and the allowance for first year expenses being Rs. 40 per thousand rupees of the sum assured by the policy.

Explanation 1.—Before ascertaining the liability under

THE THIRD SCHEDULE
(See section 36)

PRINCIPLES FOR DETERMINING COMPENSATION PAYABLE TO CHIEF AGENTS

method A and method B, there shall be added to each with-profit policy in force on the 31st day of December, 1955, (unless such addition has already been made) bonus at the same rate as declared at the said last actuarial investigation in respect of each year or part of a year the policy had been in force since the date as at which the said last actuarial investigation was made.

Explanation 2.—In calculating the liabilities in accordance with method A or method B,—

- (i) in respect of policies other than whole-life assurance and endowment assurance, such actuarial basis determined by the actuary making the valuation as may be consistent with the basis specified in the method shall be employed; and
- (ii) the actuary shall make all the usual provisions and reserves as are ordinarily done in such cases;
- (c) the total amount of all other liabilities of the insurer.

The compensation payable to a chief agent shall consist of seventy-five per cent. of the overriding commission specified in the contract relating to chief agency with the insurer on the renewal premiums received by the Corporation during a period of ten years from the appointed day in respect of the business procured by the chief agent before the appointed day; and such compensation shall be determined and paid annually for the said period.

PRINCIPALS FOR DETERMINING COMPENSATION PAYABLE TO SPECIAL AGENTS

The compensation payable to a special agent shall consist of one eighth of his annual average earnings during the period beginning on the 1st day of January, 1952, and ending on the 31st day of December, 1955, in the form of overriding commissions in respect of business procured by him through insurance agents.

भाग 7—भारतायं निर्वाचन-आयोग (Election Commission of India) की वैधानिक अधिसूचनाएँ
तथा अन्य निर्वाचन सम्बन्धी अधिसूचनाएँ।

ELECTION DEPARTMENT

NOTIFICATION

Simla-4, the 16th January, 1957

No. LR. 110-4/57.—The Territorial Councils (Election of Members) Rules, 1957 as published in the Gazette of India, Extraordinary, Part II, Section 3, dated the 2nd January, 1957, are re-published below for general information of the public.

INDAR SEN,
Chief Electoral Officer.

MINISTRY OF HOME AFFAIRS

NOTIFICATION

New Delhi, the 2nd January, 1957

S.R.O. 76.—In exercise of the powers conferred by Section 20 and Section 56 of the Territorial Councils Act, 1956 (103 of 1956), the Central Government hereby makes the following rules, namely:—

PART I—PRELIMINARY

1. **Short title and commencement.**—(1) These rules may be called the Territorial Councils (Election of Members) Rules, 1957.
- (2) They shall come into force at once.
2. **Definitions.**—(1) In these rules, unless the context otherwise requires,—
 - (a) 'act' means the Territorial Councils Act, 1956;
 - (b) 'chief electoral officer' means the officer appointed under section 13A of the Representation of the People Act, 1950;
 - (c) 'corrupt practice' means any of the practices specified by these rules as a corrupt practice;
 - (d) 'election' means an election to fill a seat or seats in any Territorial Council;
 - (e) 'elector' in relation to a constituency means a person whose name is entered in the electoral roll for that constituency and who is not subject to any disqualification for voting; and
 - (f) 'form' means a form in the Schedule to these rules.

(2) For the purposes of these rules, a person who is unable to write his name shall, unless otherwise expressly provided in these rules, be deemed to have signed an instrument or other paper if he has placed a mark on such instrument or other paper in the presence of the returning officer or presiding officer or such other officer as may be specified in this behalf by the chief electoral officer and such officer on being satisfied as to his identity has attested the mark as being the mark of that person.

PART II—SUPERINTENDENCE OF ELECTIONS AND ADMINISTRATIVE MACHINERY

3. **Superintendence and control of elections.**—Subject to the superintendence, direction and control of the Election Commission, the chief electoral officer shall supervise—

- (a) the preparation of electoral rolls for the constituencies; and
- (b) the conduct of elections to the Territorial Council.

4. **Preparation of electoral rolls.**—The electoral registration officer of each parliamentary constituency shall split up one copy of the electoral roll thereof, into several parts for the purpose of constituting them into the electoral rolls for the Territorial Council constituencies comprised within that parliamentary constituency.

5. **Returning officers.**—For every constituency the Administrator shall designate or nominate a returning officer who shall be an officer of Government:

Provided that nothing in this rule shall prevent the Administrator from designating or nominating the same person to be the returning officer for more than one constituency.

6. **Assistant returning officer.**—(1) The Administrator may appoint one or more persons to assist any returning officer in the performance of his functions.

(2) Every assistant returning officer shall, subject to the control of the returning officer, be competent to perform all or any of the functions of the returning officer:

Provided that no assistant returning officer shall perform any of the functions of the returning officer which relate to the scrutiny of nominations unless the returning officer is unavoidably prevented from performing the said functions.

7. **Duties of the returning officers.**—It shall be general duty of the returning officer at any election to do all such acts and things as may be necessary for effectually conducting the election in the manner provided by these rules or orders made thereunder.

8. **Polling stations for constituencies.**—The returning officer shall, with the previous approval of the Administrator, provide a sufficient number of polling stations for each constituency and shall publish in such manner as the chief electoral officer may direct, a list showing the polling stations so provided and the polling areas for which they have respectively been provided:

Provided that where elections to the House of the People and elections to the Territorial Council are held simultaneously, the polling stations provided for a parliamentary constituency shall be the polling stations for the Territorial Council constituencies comprised within that Parliamentary constituency.

9. **Presiding officers for polling stations.**—(1) The returning officer shall appoint a presiding officer for each polling station and such polling officer or officers as he thinks necessary, but he shall not appoint any person who has been employed by, or on behalf of, or has been otherwise working for, a candidate in or about the election:

Provided that where the elections to the House of the People and elections to the Territorial Council are held simultaneously, the presiding officer of the polling station for a parliamentary constituency shall be the presiding officer of the polling station for a Territorial Council constituency comprised within that Parliamentary constituency:

Provided further that if a polling officer is absent from the polling station the presiding officer may appoint any person who is present at the polling station other than a person who has been employed by or on behalf of, or has been otherwise working for, a candidate in or about the election, to be the polling officer during the absence of the former officer, and inform the returning officer accordingly.

(2) If the presiding officer is, owing to illness or other unavoidable cause, obliged to absent himself from the polling station, his functions shall be performed by such polling officer as has been previously authorised by the returning officer to perform such functions during any such absence.

10. **General duty of the presiding officer.**—It shall be the general duty of the presiding officer at a polling station to keep order thereat and to see that the poll is fairly taken.

11. **Duties of a polling officer.**—It shall be the duty of the polling officers at a polling station to assist the presiding officer for such station in the performance of his functions.

PART III—CONDUCT OF ELECTIONS

CHAPTER I—GENERAL PROVISIONS

12. **Appointment of dates for nomination of candidates, etc.**—As soon as the notification for the election is issued by the Administrator under section 10 of the Act, he shall, by notification published in such manner as he thinks fit, appoint—

- (a) the last date for making nominations, which shall be the tenth day after the date of publication of the first mentioned notification or, if that day is a public holiday, the next succeeding day which is not a public holiday;
- (b) the date for the scrutiny of nominations, which shall be the third day after the last date for making nominations or, if that day is a public holiday, the next succeeding day which is not a public holiday;
- (c) the last date for the withdrawal of candidatures which shall be the third day after the date for the scrutiny of nominations or, if that day is a public holiday, the next succeeding day which is not a public holiday;
- (d) the date or dates on which a poll shall, if necessary, be taken, which or the first of which shall, be a date not earlier than the twentieth day after the last date for the withdrawal of candidatures; and
- (e) the date before which the election shall be completed.

13. **Public notice of Election.**—On the issue of a notification under rule 12, the returning officer shall give public notice of the intended election in such form and manner as may be specified by the chief electoral officer inviting nominations of candidates for such election and specifying the place at which the nomination papers are to be delivered.

14. **Presentation of nomination paper and requirements for a valid nomination.**—(1) On or before the date appointed under clause (a) of rule 12 each candidate shall, either in person or by his proposer, between the hours of 11 o'clock in the forenoon and 3 o'clock in the afternoon deliver to the returning officer at the place specified in this behalf in the notice issued under rule 13 a nomination paper completed in Form I and signed by the candidate and by an elector of the constituency as proposer.

(2) In a constituency in Himachal Pradesh where any seat is reserved for the scheduled castes a candidate shall not be deemed to be qualified to be chosen to fill that seat unless his nomination paper contains a declaration by him specifying the particular caste of which he is a member.

(3) Where the candidate is a person who, having held any office referred to in clause (f) of section 7 of the Representation of the People Act, 1951, has been dismissed and a period of five years has not elapsed since the dismissal, such person shall not be deemed to be duly nominated as a candidate unless his nomination paper is accompanied by a certificate issued by the Election Commission to the effect that he has not been dismissed for corruption or disloyalty to the State.

(4) A nomination paper which is not received before 3 o'clock in the afternoon on the last day appointed under clause (a) of rule 12 shall be rejected.

(5) On the presentation of a nomination paper the returning officer shall—

- (a) permit any clerical error in the nomination paper in regard to the name and other particulars of the candidate to be corrected in order to bring them in conformity with the corresponding entries in the electoral rolls;
- (b) where necessary, direct that any clerical or printing error in the said entries shall be overlooked.

(6) Where a candidate is an elector of a different constituency, a copy of the electoral roll of that constituency or of the relevant part thereof, or a certified copy of the relevant entries in such roll shall, unless it has been filed along with the nomination paper, be produced before the returning officer at the time of scrutiny.

(7) Nothing in this rule shall prevent any candidate from being nominated by more than one nomination paper for election in the same constituency.

15. **Symbols.**—A candidate may, at any time before the scrutiny of nominations, inform the returning officer in writing that he has chosen out the list of symbols published by the Election Commission for election to the House of the People, one particular symbol for his first preference and two other symbols for his second and third preferences respectively.

16. **Deposit: Return or forfeiture of Deposits.**—(1) A candidate shall not be deemed to be duly nominated unless he deposits or causes to be deposited a sum of fifty rupees:

Provided that where a candidate has been nominated by more than one nomination paper for election in the same constituency not more than one deposit shall be required of him under this rule.

(2) Any sum required to be deposited under sub-rule (1) shall not be deemed to have been deposited under that sub-rule unless at the time of delivery of the nomination paper under sub-rule (1) of rule 14 the candidate has either deposited or caused to be deposited that sum with the returning officer in cash or enclosed with the nomination paper a receipt showing that the said sum has been deposited by him or on his behalf in a Government Treasury.

(3) If a candidate by whom or on whose behalf the deposit has been made withdraws his candidature within the time specified in rule 12 or if the nomination of any such candidate is rejected, the deposit shall be returned to the person by whom it was made or if such person is dead, to his legal representative.

(4) If a candidate is not elected, and the number of votes polled by him does not exceed one-sixth of the total number of votes polled, the deposit shall be forfeited to the Central Government.

Explanation.—In this sub-rule, the number of votes polled shall be deemed to be the number of ballot papers counted other than rejected ballot papers.

(5) The deposit shall, where it is not forfeited under sub-rule (4), be returned to the person by whom it was made or if he is dead, to his legal representative, after the publication of the result of the election in the Official Gazette.

17. **Notice of nominations and the time and place for their scrutiny.**—The returning officer shall on receiving the nomination paper under sub-rule (1) of rule 14, inform the person or persons delivering the same of the date, time and place fixed for the scrutiny of nominations and shall enter on the nomination paper its serial number and shall sign thereon a certificate stating the date on which, and the hour at which, the nomination paper has been delivered to him and shall, as soon as may be, cause to be affixed in some conspicuous place in his office a notice of the nomination containing descriptions similar to those contained in the nomination paper both of the candidate and his proposer.

18. **Scrutiny of nominations.**—(1) On the date fixed for the scrutiny of nominations under rule 12 the candidates and two other persons duly authorised in writing by each candidate, but no other person, may attend at such time and place as the returning officer may appoint, and the returning officer shall give them all reasonable facilities for examining the nomination papers of all the candidates which have been delivered within the time and in the manner laid down in rule 14.

(2) The returning officer shall then examine the nomination papers and decide all objections which may be made to any nomination and may, either on such objection or on his own motion, after such summary inquiry, if any, as he thinks necessary, reject any nomination on any of the following grounds, namely:—

- (a) that the candidate either is not qualified or is disqualified for being chosen to fill the seat;
- (b) that there has been any failure to comply with any of the provisions of rule 14 or rule 16; or
- (c) that the signature of the candidate or the proposer on the nomination paper is not genuine.

(3) Nothing contained in clause (b) or (c) of sub-rule (2) shall be deemed to authorise the rejection of the nomination of any candidate on the ground of any irregularity in respect of a nomination paper, if the candidate has been duly nominated by means of another nomination paper in respect of which no irregularity has been committed.

(4) The returning officer shall not reject any nomination paper on the ground of any defect which is not of a substantial character.

(5) The returning officer shall hold the scrutiny on the date appointed in this behalf under clause (b) of rule 12 and shall not allow any adjournment of the proceedings except when such proceedings are interrupted or obstructed by riot, open violence or by causes beyond his control:

Provided that in case an objection is made the candidate concerned may be allowed time to rebut it not later than the next day but one following the date fixed for scrutiny; and the returning officer shall record his decision on the date to which the proceedings have been adjourned.

(6) The returning officer shall endorse on each nomination paper his decision accepting or rejecting the same and, if the nomination paper is rejected, shall record in writing a brief statement of his reasons for such rejection.

(7) For the purposes of this rule, a certified copy of an entry in the electoral roll for the time being in force of a constituency shall be conclusive evidence of the fact that the person referred to in that entry is an elector for that constituency, unless it is proved that he is subject to any disqualification.

19. **Withdrawal of candidature.**—(1) Any candidate may withdraw his candidature by a notice in writing in Form II which shall be subscribed by him and delivered before 3 o'clock in the afternoon on the day fixed under clause (c) of rule 12 to the returning officer either by such candidate in person or by his proposer, or election agent who has been authorised in this behalf in writing by such candidate:

Provided that if that day is observed as a public holiday the notice of withdrawal of candidature shall be considered as having been delivered in due time if it is delivered before 3 o'clock in the afternoon on the next succeeding day which is not a public holiday.

(2) No person who has given a notice of withdrawal of candidature under sub-rule (1) shall be allowed to cancel the notice.

(3) The returning officer shall, on receiving a notice of withdrawal under sub-rule (1), as soon as may be thereafter, cause a notice of withdrawal to be affixed in some conspicuous place in his office.

20. **Publication of list of contesting candidates.**—The returning officer shall, immediately after the expiry of the period within which candidature may be withdrawn under rule 19, prepare and publish a list of contesting candidates in such manner as may be specified by the Administrator and assign in that list a different symbol to each candidate in conformity, as far as practicable, with his choice.

21. **Election Agents.**—A candidate at an election may appoint any one person other than himself to be his election agent in Form III and notice of such appointment shall be given to the returning officer by forwarding the Form to him.

22. **Revocation of the appointment, or death of an election agent.**—(1) Any revocation of the appointment of an election agent shall be in Form IV, shall be signed by the candidate, and shall operate from the date on which it is lodged with the returning officer.

(2) In the event of such revocation or of the death of the election agent before the completion of the election, the candidate may appoint another election agent and notice thereof shall be given to the returning officer as in the case of appointment of the first agent.

23. Functions of election agents.—An election agent may perform such functions in connection with the elections as are authorised by or under these rules to be performed by an election agent.

24. Appointment of polling agents.—(1) A contesting candidate or his election agent may appoint one agent and two relief agents to act as polling agents of such candidate at each polling station and such appointment shall be made by a letter in writing in duplicate in Form V signed by the candidate or his election agent.

(2) The letter of appointment shall be made over to the polling agent for production at the polling station.

(3) No polling agent shall be admitted into the polling station unless he has delivered to the presiding officer the instrument of his appointment under sub-rule (2) after duly completing and signing before the presiding officer the declaration contained therein.

25. Appointment of counting agents.—(1) Any contesting candidate or his election agent may, before the commencement of the counting of votes, appoint, subject to such general or special directions as the chief electoral officer may issue in this behalf not more than twelve persons to be the counting agents of the candidate.

(2) Every such appointment shall be made in duplicate in Form VI signed by the candidate or by his election agent and one copy of the appointment shall be forwarded to the returning officer while the other copy shall be made over to the counting agent for production at the counting of votes.

(3) No counting agent shall be admitted into the place fixed for counting unless he has delivered to the returning officer the second copy of the instrument of his appointment under sub-rule (2) after duly completing and signing the declaration contained therein.

26. Revocation of the appointment or death, of a polling agent or counting agent.—(1) Any revocation of the appointment of a polling agent shall be in Form VII, shall be signed by the candidate or his election agent and shall operate from the date on which it is lodged with the presiding officer of the polling station where such polling agent was appointed for duty, and in the event of such a revocation or of the death of the polling agent before the close of the poll, the candidate or his election agent may appoint an other polling agent by a letter in writing in Form V at any time before the poll is closed and shall forthwith give notice of such appointment to the presiding officer of the polling station where the new polling agent is appointed for duty, by forwarding the letter of appointment of the new polling agent to the presiding officer, and the provisions of sub-rules (2) and (3) of rule 24 shall apply in relation to a polling agent appointed under this sub-rule as they apply in relation to a polling agent appointed under sub-rule (1) of rule 24.

(2) Any revocation of the appointment of a counting agent shall be in Form VII, shall be signed by the candidate or his election agent and shall operate from the date on which it is lodged with the returning officer, and in the event of such a revocation or of the death of a counting agent before the commencement of the counting of votes, the candidate or his election agent may appoint another counting agent by a letter in writing in Form VI and shall forthwith give notice of such appointment to the returning officer by forwarding the letter of appointment of the new counting agent to such officer and the provisions of sub-rule (3) of rule 25 shall apply in relation to a counting agent appointed under this sub-rule as they apply in relation to a counting agent appointed under sub-rule (1) of rule 25.

27. Functions of polling agents and counting agents.—(1) A polling agent may perform such functions in connection with the poll as are authorised by these Rules.

(2) A counting agent may perform such functions in connection with the counting of votes as are authorised by these Rules.

28. Attendance of a candidate or his election agent at polling stations, and performance by him of the function of a polling agent or counting agent.—(1) At every election where a poll is taken, each candidate at such election and his election agent shall have the right to be present at any polling station provided for the taking of the poll.

(2) A candidate or his election agent may himself do any act or thing which any polling agent or the counting agent of such candidate if appointed, would have been authorised by these rules to do, or may assist any polling agent or the counting agent of such candidate in doing any such act or thing.

29. Non-attendance of polling agents and counting agents.—Where any act or thing is required or authorised by these Rules to be done in the presence of polling or counting agents, the non-attendance of any such agent or agents at the time and place appointed for the purpose shall not, if the act or thing is otherwise duly done, invalidate the act or thing done.

30. Death of candidate before poll.—If a contesting candidate dies and a report of his death is received before the commencement of the poll, the returning officer shall, upon being satisfied of the fact of the death of the candidate, countermand the poll and report the fact to the Administrator and all proceedings with reference to the election shall be commenced anew in all respects as if for a new election:

Provided that no further nomination shall be necessary in the case of a person who was a contesting candidate at the time of the countermanding of the poll:

Provided further that no person who has given notice of withdrawal of his candidature or a notice of retirement before the countermanding of the poll shall be ineligible for being nominated as a candidate for the election after such countermanding.

31. Contested and uncontested elections.—(1) If the number of contesting candidates is more than the number of seats to be filled, a poll shall be taken.

(2) If the number of such candidates is equal to the number of seats to be filled, the returning officer shall forthwith declare such candidates to be duly elected to fill those seats.

(3) If the number of such candidates is less than the number of seats to be filled, the returning officer shall forthwith declare such candidate to be elected and the Administrator shall, by notification in the Official Gazette, call upon the constituency to elect a person or persons to fill the remaining seat or seats:

Provided that where the constituency having already been called upon under this sub-rule, has failed to effect a person or the requisite number of persons to fill the vacancy or vacancies, the Administrator shall not be bound to call again upon the constituency to elect a person or persons until he is satisfied that if called upon again, there will be no such failure on the part of the constituency.

32. Special procedure at elections in constituencies where seats are reserved for Scheduled Castes.—(1) If there is only one contesting candidate who is qualified to be chosen to fill the reserved seat, he shall be forthwith declared to be elected to fill the reserved seat, and the procedure laid down in rule 31 shall be followed for filling the remaining seat.

(2) If the number of contesting candidates qualified to be chosen to fill the reserved seat is more than one, but

the total number of contesting candidates is two, the returning officer shall first select by lot, to be drawn by him in such manner as he may determine, the candidate to be declared elected to the reserved seat out of the candidates qualified to be chosen to fill these seats and thereafter declare the remaining candidate to be duly elected to fill the remaining seat.

(3) If the number of contesting candidates qualified to be chosen to fill the reserved seat is more than one, and the total number of contesting candidates also exceeds the total number of seats to be filled, a poll shall be taken; and after the poll has been taken the returning officer shall first declare the person who, being qualified to be chosen to fill the reserved seat, has secured the largest number of votes, to be elected to fill the reserved seat, and then declare that candidate from out of the remaining candidates who has secured the largest number of votes to be duly elected to fill the remaining seat.

(4) If none of the contesting candidates is qualified to be chosen to fill the reserved seat, the procedure laid down in rule 31 shall be followed for filling the seat other than the reserved seat, and the Administrator shall, by notification in the Official Gazette, call upon the constituency to elect a person to fill the reserved seat:

Provided that where a constituency having been already so called upon has failed to elect a person to fill the reserved seat, the Administrator shall not be bound to call again upon the constituency to elect a person to fill the vacancy until he is satisfied that if called upon again, there will be no such failure on the part of the constituency.

33. Retirement from contest.—(1) A contesting candidate may retire from the contest by a notice in Form VIII which shall be delivered to the returning officer between the hours of 11 o'clock in the forenoon and 3 o'clock in the afternoon of any day not later than ten days prior to the date or the first of the dates fixed for the poll under rule 12 either by such candidate in person or by an agent authorised in this behalf in writing by such candidate.

(2) No person who has given a notice of retirement under sub-rule (1) shall be allowed to cancel the notice.

(3) The returning officer shall, upon receiving a notice of retirement under sub-rule (1), cause a copy thereof to be affixed to his notice board and also to be published in the Official Gazette.

(4) Any person who has given a notice of retirement under sub-rule (1) shall thereafter be deemed not to be a contesting candidate for the purposes of rule 30.

(5) Where by reason of any retirement from the contest under this rule, the number of remaining contesting candidates becomes equal to the number of seats to be filled, the returning officer shall, subject to the provisions of rule 32, forthwith declare all such candidates to be duly elected to fill those seats and countermand the poll.

(6) Where by reason of any retirement from the contest at an election to which the provisions of rule 32 apply, the number of remaining contesting candidates qualified to be chosen to fill the reserved seat is one, the returning officer shall forthwith declare that candidate to be duly elected to fill that seat and countermand the poll in so far as it relates to election for filling that seat and the procedure laid down in rule 31 shall be followed for filling the remaining seat, if any.

34. Fixing time for poll.—The Administrator shall fix the hours during which the poll will be taken; and the hours so fixed shall be published in such manner as he may direct:

Provided that the total period allotted on any one day for polling at an election in a constituency shall not be less than eight hours.

35. Adjournment of poll in emergencies.—(1) If at an election the proceedings at any polling station are interrupted or obstructed by riot or open violence, or if at an election it is not possible to take the poll at any polling station on account of any natural calamity or any other sufficient cause, the presiding officer for such polling station shall announce an adjournment of the poll to a date to be notified later and shall forthwith inform the returning officer concerned.

(2) Where a poll is adjourned under sub-rule (1) the returning officer shall immediately report the circumstances to the chief electoral officer and shall, as soon as may be, with the previous approval of the chief electoral officer appoint the day on which the poll shall recommence and fix the polling station at which, and the hours during which, the poll will be taken and shall not count the votes cast at such election until such adjourned poll shall have been completed.

(3) In every such case as aforesaid, the returning officer shall notify in such manner as the chief electoral officer may direct the date, place and hours of polling fixed under sub-rule (2).

36. Fresh poll in the case of destruction, etc. of ballot boxes.—(1) If at any election any ballot box used at a polling station is unlawfully taken out of the custody of the returning officer or of any presiding officer or is in any way tampered with, or is accidentally or intentionally destroyed, lost or damaged and the returning officer is satisfied that in consequence thereof the result of the poll at that polling station cannot be ascertained, he shall—

- (a) declare the polling at that polling station to be void;
- (b) report the matter forthwith to the chief electoral officer;
- (c) with the approval of the chief electoral officer, appoint a day, and fix the hours for taking a fresh poll at the polling station; and
- (d) notify the day so appointed and hours so fixed in such manner as the chief electoral officer may direct.

(2) The provisions of these rules shall apply to every such fresh poll as they apply to the original poll.

37. Right to vote.—(1) No person who is not, and except as expressly provided by these rules, every person who is, for the time being, entered in the electoral roll of any constituency shall be entitled to vote in that constituency.

(2) No person shall vote at an election in any constituency if he is subject to any of the disqualifications for voting referred to in section 16 of the Representation of the People Act, 1950 (43 of 1950).

(3) No person shall vote at a general election in more than one constituency and if he does so vote, all his votes in that constituency shall be void.

(4) No person shall vote at an election if he is confined in a prison, or is in other lawful custody.

CHAPTER II—PROCEDURE FOR VOTING

38. Manner of voting at elections.—At every election where a poll is taken votes shall be given by ballot and no votes shall be received by proxy.

39. Admission to polling station.—(1) The presiding officer shall regulate the number of electors to be admitted at any one time inside the polling station and shall exclude therefrom all other persons except—

- (a) the polling officers;
- (b) each candidate, his election agent and one polling agent of each candidate;
- (c) persons authorised by the chief electoral officer;

- (d) public servants on duty;
- (e) a child in arms accompanying an elector;
- (f) a person accompanying a blind or infirm elector who cannot move without help; and
- (g) such other persons as the presiding officer may from time to time admit for the purpose of identifying electors or otherwise assisting him in taking the poll.

(2) The presiding officer shall close the polling station at the hour fixed in that behalf under rule 34 and shall not admit thereto any elector after that hour:

Provided that all electors present within the polling station before it is so closed shall be entitled to have their votes recorded.

(3) If any question arises as to whether any elector shall, for the purpose of the proviso to sub-rule (2), be deemed to be present within the polling station before it is closed, the question shall be referred for the decision of the presiding officer and his decision shall be final.

40. Arrangements of secrecy of voting and special facilities for women electors at polling stations.—(1) Each polling station shall be furnished with a compartment (hereafter in these Rules referred to as a 'polling compartment') in which electors can, one after another, cast their votes screened from observation.

(2) Where a separate polling station has not been provided for women electors in a polling area the presiding officer may direct that men and women electors shall be admitted into the polling station alternately in separate batches.

(3) The returning officer or the presiding officer may appoint a woman to serve as an attendant at any polling station to assist women electors and also to assist the presiding officer generally in taking the poll in respect of women electors and in particular, to help in searching any women elector in case it becomes so necessary.

(4) For the purpose of identification of a woman elector her husband or any other near relative may be permitted by the presiding officer at his discretion to accompany her inside the polling station, but such person shall not be permitted to accompany her in the polling compartment.

(5) The presiding officer may permit an elector to enter the polling compartment with a child in arms for the purpose of voting.

41. Provision of ballot boxes with symbols of candidates and other articles at the polling station.—(1) The returning officer shall provide at each polling station one ballot box for each one of the candidates and all such ballot boxes shall be so placed in the polling compartment that when an elector inserts a ballot paper in any box no other person can see how he has voted.

(2) The symbol assigned to a candidate shall be printed on labels which shall be pasted both inside and outside a ballot box and such ballot box shall then be deemed to have been allotted to that candidate.

(3) Outside and inside each polling station there shall be displayed prominently—

- (a) a notice specifying the polling area, the electors of which are entitled to vote at the polling station, and
- (b) another notice giving the name of each contesting candidate in the same language or languages and in the same order in which the names of such candidates appear in the list of contesting candidates.

(4) The returning officer shall also provide at each polling station a sufficient number of ballot papers and copies of electoral rolls in respect of the polling area or areas the electors of which are entitled to vote at such polling station as well as such other equipment and accessories as may be required for taking the poll at such polling station.

42. Mark on ballot papers.—(1) The chief electoral officer may direct that before any ballot paper is delivered to an elector at a polling station it shall be marked with such distinguishing mark as may be specified by the chief electoral officer in this behalf.

(2) When any such direction has been issued by the chief electoral officer, the returning officer shall provide at the polling station concerned instruments for stamping the distinguishing mark on the ballot paper.

43. Ballot boxes to be locked and sealed.—(1) Every ballot box and every ballot paper shall be of such design and colour as have been previously approved by the Administrator and the ballot box shall be so constructed that papers can be introduced therein but cannot be withdrawn therefrom without the box being unlocked or the seals being broken.

(2) The presiding officer of each polling station shall immediately, before the commencement of the poll, allow inspection of each ballot box to be used at the poll, the candidates and their polling agents who may be present at such station and demonstrate to them and all other persons present that it is empty and that labels have been affixed both inside and outside the box and the distinguishing mark or marks have been made in the box.

(3) The presiding officer shall thereafter affix to each ballot box a paper seal provided for the purpose. He shall also affix on such paper seal his own signature or seal and obtain thereon the signatures or seals of such candidates or of such polling agents of the candidates as may be present and may desire to affix such signatures or seals; he shall thereafter secure and seal each box in their presence in such manner that the slit in the box for insertion of ballot papers therein remains open.

(4) The paper seal used in a ballot box shall be affixed in such manner that it shall not be possible to open the box again without breaking such paper seal.

(5) After all the ballot boxes required to be used at the polling have been labelled, secured, and sealed, they shall be placed in the polling compartment side by side in the same order in which the names of the candidates to whom such boxes have been allotted appear in the list of contesting candidates at the election and in such manner that the front vertical side of each of the boxes bears a symbol assigned to the candidate to whom such box has been allotted and faces the elector.

(6) The candidates and their polling agents shall be entitled to see before the commencement of the poll that the boxes are placed in the polling compartment in the order and manner specified in sub-rule (5), and that no other receptacle or box besides the ballot boxes allotted to the candidates are kept inside the polling compartment during polling.

44. Identification of electors.—(1) The presiding officer may employ at the polling station such persons as he thinks fit to help in the identification of the electors or to assist him otherwise in taking the poll.

(2) As the elector enters the polling station the presiding officer or the polling officer authorised by him in this behalf shall ascertain the elector's name and address and such other particulars as appear on the electoral roll and after having checked these by reference to the roll shall call out the serial number, name and description of the elector according to the entry in the roll.

(3) Any candidate or his agent may challenge the identity of a person claiming to be a particular elector and when such challenge is made the procedure laid down in rule 52 shall be followed.

45. **Special procedure for preventing personation of electors.**—(1) Every elector about whose identity the presiding officer or the polling officer, as the case may be, is satisfied, shall allow—

- (a) his left fore-finger to be inspected by the presiding officer or any polling officer, and
- (b) an indelible ink mark to be put on his left fore-finger.

(2) If any such elector—

- (a) refuses to allow such inspection of his left fore-finger, or
- (b) refuses to allow an indelible ink mark to be put on his left fore-finger or persists in doing any act with a view to remove such mark after it has been put,

he shall not be entitled to be supplied with any ballot paper or cast his vote at the election.

(3) Except as provided in sub-rule (4), no person who has already such a mark on his left fore-finger at the time he enters the polling station shall be supplied with any ballot paper, and if any such person applies for a ballot paper he shall be liable to be arrested and prosecuted for personation.

(4) Where elections in any Territorial Council constituency and in a Parliamentary constituency are being held simultaneously an elector whose left fore-finger has been marked with indelible ink at a polling station as a preliminary to his receiving the ballot paper for one such election shall not be required to have his left fore-finger marked again with such ink before receiving the ballot paper for the other election and the presence of the mark made for the purpose of one of such elections shall, notwithstanding anything to the contrary contained in any other rule, not disentitle him from receiving the ballot paper for the other election.

(5) Any reference in this rule to the left fore-finger of an elector shall, where the elector has no left fore-finger, be construed as a reference to any other finger of his left hand, and shall, where the elector has no finger at all on either of his hands, be construed as a reference to such extremity of his left or right arm as he possesses.

46. **Issue of ballot papers.**—(1) In deciding the right of a person to obtain a ballot paper, the presiding officer or the polling officer, as the case may be, shall overlook merely clerical or printing errors in an entry in the electoral roll, provided that he is satisfied that such person is identical with the elector to whom such entry relates.

(2) Before delivering the ballot paper to the elector, the polling officer shall, where a direction has been issued in this behalf under rule 42, stamp the ballot paper with such distinguishing mark as may have been specified under that rule.

(3) The polling officer shall at the time of delivery of the ballot paper place against the serial number of the elector in the electoral roll a mark to denote that the elector has received a ballot paper and shall also keep a record of the serial number of the ballot paper supplied to the elector in such manner as the chief electoral officer may direct.

47. **Manner of voting after the receipts of ballot papers.**—(1) On receiving the ballot paper the elector shall forthwith proceed into the polling compartment and shall without undue delay, put his ballot paper through the slit provided for the purpose into the ballot box or boxes of the candidate or candidates for whom he desires to vote:

Provided that no more than one ballot paper shall be inserted by an elector into any one ballot box.

(2) Every elector shall vote without undue delay and shall quit the polling station as soon as he has cast his vote; and no elector shall remain in a polling compartment longer than is necessary for casting his vote.

(3) No elector shall be allowed to enter a polling compartment when another elector is inside it.

(4) The presiding officer may, whenever he considers it necessary to do so, enter the polling compartment during poll and may take such steps as may be necessary to ensure that the ballot boxes therein are not tampered or interfered with in any way.

(5) If the presiding officer has reason to suspect that an elector who has entered the polling compartment is tampering or otherwise interfering with any ballot box or has remained inside the polling compartment unduly long, he shall enter the polling compartment and take such steps as may be necessary to ensure the smooth and proper progress of the poll.

(6) Whenever the presiding officer enters the polling compartment under this rule, he shall be accompanied by such of the candidates or their agents as desire to do so.

48. **Ballot papers found outside ballot boxes.**—If any ballot paper which has been issued to an elector has not been inserted by him into any ballot box but is found anywhere in or near the polling station, it shall be cancelled and dealt with in a manner laid down in rule 53.

49. **Recording of votes by infirm electors.**—If owing to blindness or other infirmity an elector is unable to read the symbol of a ballot box or is physically incapable of inserting the ballot paper into a ballot box, the presiding officer shall enter the polling compartment with such elector, ascertain from him the name or names of the candidate or candidates in whose favour he desires to cast the vote and insert the ballot paper or papers in the ballot box or boxes of such candidate or candidates in accordance with the wishes of the elector and the presiding officer shall have this done with as much secrecy as is feasible and shall keep a brief record of such instance without indicating the manner in which the vote has been cast.

50. **Elector to be questioned in case of doubt as to his identity.**—If the presiding officer has reason to doubt the identity of an elector or his right to vote at an election, he may, in order to be satisfied about the identity of the elector, put such questions as he thinks fit and the elector shall not be supplied with a ballot paper if he refuses to answer any such questions.

51. **Tendered votes.**—(1) If a person representing himself to be a particular elector named in the electoral roll applies for a ballot paper or papers after another person has already voted as such elector, the applicant shall, after answering such questions as the presiding officer may ask, be supplied with a ballot paper (referred to in these Rules as a 'tendered ballot paper') in Form IX.

(2) Every such person shall, before being supplied with a tendered ballot paper, sign his name against the entry relating to him in a list in Form X.

(3) Such person shall thereafter record on the ballot paper the name or names of the candidate or candidates for whom the wishes to vote; but if owing to illiteracy or any other reason he is unable to make such record, the presiding officer shall do so in accordance with his wishes.

(4) The procedure laid down in sub-rule (3) shall be followed with due regard to secrecy.

(5) Every such tendered ballot paper shall forthwith be placed in a separate cover which shall be sealed and all such covers containing tendered ballot papers shall be kept in a separate packet, but such votes shall not be counted by the returning officer.

52. **Challenged votes.**—(1) If any candidate or his agent challenges the identity of a person claiming to be a particular elector, he shall deposit a sum of two rupees in cash with the presiding officer for each such challenges.

(2) On such deposit being made the presiding officer shall—
 (a) warn the person so challenged of the penalty for personation;
 (b) enter his name and address in the list of challenged votes in Form XI; and
 (c) require him to affix his signature in the said list.

(3) The presiding officer shall thereafter hold a summary inquiry into the challenge and may for that purpose require the challenger to adduce evidence in proof of the challenge and the person challenged to adduce evidence in proof of his identity.

(4) After such inquiry if the presiding officer is of the opinion that the challenge has not been established he shall allow the person challenged to vote and if he is further of the opinion that the challenge is frivolous or has not been made in good faith, he shall direct that the deposit made under sub-rule (1) be forfeited to Government.

(5) After such inquiry if the presiding officer is of the opinion that the challenge has been established he shall not allow the person challenged to vote and shall return the deposit made under sub-rule (1) to the challenger after the close of the poll on the day on which it was made.

53. **Return of ballot papers by an elector.**—(1) If an elector after obtaining any ballot paper for the purpose of casting his vote decides not to use the same, he shall return the ballot paper to the presiding officer, and the ballot paper so returned shall then be marked as "cancelled" and kept in a separate envelope set apart for the purpose and a record shall be kept by the presiding officer of all such ballot papers.

(2) If any ballot paper which has been issued to any elector for the purpose of recording his vote has not been put into the ballot box but has been left by the elector at the polling station it shall be dealt with in accordance with the provisions of sub-rule (1) as if it had been returned to the presiding officer.

54. **Delivery of ballot boxes to the returning officer after the close of the poll.**—The presiding officer of each polling station shall, as soon as practicable after the close of the poll, in the presence of any candidates or their election or polling agents who may be present, close the slit for insertion of ballot papers of each ballot box, or, where the box does not contain any mechanical device for closing the slit, seal up the slit, and seal and secure all the ballot boxes used at the polling station; he shall also make up into separate packets:
 (a) the unused ballot papers;
 (b) the covers containing the tendered ballot papers;
 (c) the cancelled ballot papers;
 (d) the marked copy of the electoral roll;
 (e) the list of tendered votes;
 (f) the list of challenged votes; and
 (g) any other paper directed by the returning officer to be kept in a sealed packet,

and shall seal each packet with his own seal and the seals of such candidates or their election or polling agents as may desire to affix their seals thereon. He shall then, as soon as may be, deliver the ballot boxes and all such packets and all other papers used at the poll or cause them to be delivered to the returning officer at such place as the returning officer may direct subject to any general or special instructions issued in that behalf by the chief electoral officer.

55. **Transport of ballot boxes and packets and their custody.**—The returning officer shall make adequate arrangements for the safe transport of all ballot boxes, packets and other papers referred to in rule 54 and for their safe custody until the commencement of the counting of votes.

CHAPTER III—COUNTING OF VOTES AND CUSTODY OF ELECTION RECORD

56. **Counting of votes.**—(1) At every election where a poll is taken votes shall be counted by or under the supervision and direction of the returning officer and each candidate, his election agent and his counting agents shall have a right to be present at the time of counting.

(2) The returning officer shall appoint a date or dates (which shall be as soon as practicable after the completion of the poll throughout the constituencies) for the counting of votes and shall fix the place and time at which the votes shall be counted on the date or each of the dates so appointed.

(3) The returning officer shall give notice of each such date, time and place in writing to all candidates.

57. **Procedure to be followed at the counting of votes.**—(1) On the date and at the time and place appointed under rule 56 the returning officer shall, before he commences to count the votes, read the provisions of rule 83 to such persons as may be present. He shall then with respect to ballot boxes used at the poll proceed as follows:—

(i) All the ballot boxes placed for the counting of votes shall be counted and checked and the returning officer shall satisfy himself that all such ballot boxes as contain the ballot papers which are to be counted at such place have been received and accounted for.

(ii) The returning officer shall then allow the candidates and their counting agents present at the counting an opportunity to inspect the ballot boxes and their seals for satisfying themselves that they are in order.

(iii) The returning officer shall also satisfy himself that none of the boxes has in fact been tampered with. If any ballot box is found by the returning officer to have been tampered with or destroyed or lost the returning officer shall postpone the counting of votes and shall follow the procedure laid down in rule 36 and shall, after the fresh poll under that rule has been completed, recommence the counting on the date and at the time and place appointed by him in this behalf of which notice has been previously given to the candidates and their counting agents.

(iv) If the returning officer is satisfied that all such ballot boxes as contain the ballot papers which are to be counted at such place have been received and are in order, he shall take up the counting of ballot papers contained in the ballot boxes. All the ballot boxes used at a polling station shall be opened and the counting of the ballot papers found in those boxes proceeded with at the same time as far as practicable.

(v) As each ballot box is opened for counting the mark or marks made on the box or in any of its component parts or attachments and the label containing the symbol affixed inside the box shall be checked. Thereafter the ballot papers shall be taken out from the box and arranged in convenient bundles and counted with the aid of persons appointed to assist in the counting of votes. An account of the ballot papers found in each box allotted to each candidate shall be recorded in a suitable statement.

(vi) The returning officer shall allow the candidates and their counting agents who may be present reasonable opportunity to inspect all ballot papers, which in the opinion of the returning officer are liable to be rejected but shall not allow them to handle those or any other ballot papers. The returning officer shall

on every ballot paper which is rejected endorse the letter 'R'. If any candidate or his counting agent questions the correctness of the rejection of any ballot paper, the returning officer shall also record briefly on such ballot paper the ground for its rejection. A brief record shall be kept of the serial numbers of all ballot papers rejected and of such particulars as will identify the ballot box in which each such ballot paper was found.

- (vii) After the counting of all ballot papers contained in each ballot box has been completed by the returning officer and an account of such ballot papers has been recorded in a suitable statement, the returning officer shall cause all such ballot papers to be kept in a separate packet on which shall be indicated such particulars as will identify the ballot box in which ballot papers were found, the name of the candidate to whom such ballot box was allotted, and the name of the polling station and the number of the polling booth, if any, where such ballot box was used.
- (viii) After counting of ballot papers contained in all the ballot boxes has been completed, the returning officer shall cause all the packets containing the ballot papers in support of each candidate to be placed together in a separate container or containers and shall seal up such containers and shall write on each such container the name of the candidate in support of whom the ballot papers contained in such container were cast and the name of constituency and the date of the election to which it refers and permit the candidates or their agents to put their seals on each container if they so like. He shall also cause all ballot papers found in the ballot boxes of each candidate but rejected by him to be kept in a separate sealed packet.

(2) The returning officer shall as far as practicable proceed continuously with the counting of the votes and shall during any intervals when the counting has to be suspended, keep the ballot papers, packets and other documents relating to the election sealed with his own seal and the seals of such candidates or counting agents as may desire to affix their seals and shall cause adequate precautions to be taken for their safe custody.

(3) After the counting of ballot papers contained in all the ballot boxes used at all the polling stations in the constituency the returning officer shall—

- (a) in the case where such votes have been counted at one place, record in a suitable statement the total number of votes polled by each candidate, and
- (b) in the case where such votes have been counted more places than one, prepare a consolidated statement recording in that statement the total number of votes polled by each candidate in the entire constituency.

58. **Grounds for rejection of ballot papers.**—(1) A ballot paper contained in a ballot box shall be rejected:—

- (a) if it bears any mark or writing by which the elector can be identified, or
- (b) if it is a spurious ballot paper, or
- (c) if it bears a serial number, or is of a design different from the serial numbers or, as the case may be, design, of the ballot papers authorised for use at the particular polling station, or
- (d) if it does not bear the mark prescribed by the chief electoral officer:

Provided that where the chief electoral officer on being satisfied that any such defect as is mentioned in clause (c) or clause (d) has, in respect of any of the ballot papers at a polling station, been caused by any mistake or failure on the part of the presiding officer or polling officer, has directed that the defect should be overlooked, a ballot paper shall not be rejected merely on the ground of such defect;

(e) if it has been so damaged or mutilated that its identity as a genuine ballot paper cannot be established.

(2) If the returning officer is satisfied that an elector has put into the same ballot box more than one ballot paper in contravention of these rules, he shall reject all but one of such ballot papers.

59. **Equality of votes.**—If, after the counting of votes is completed, an equality of votes is found to exist between any candidates, and the addition of one vote will entitle any of those candidates to be declared elected, the returning officer shall forthwith decide between those candidates by lot and proceed as if the candidate on whom the lot falls had received an additional vote.

60. **Declaration of results.**—When the counting of votes has been completed the returning officer shall forthwith declare the result of the election:

Provided that upon the application of any candidate or his election or counting agent a total or partial recount shall be made before the returning officer makes the declaration, but the returning officer may reject any such application as may appear to him to be frivolous or unreasonable recording at the same time the grounds for such rejection.

61. **Report of the result.**—As soon as may be after the result of an election has been declared the returning officer shall report the result to the chief electoral officer and the Administrator and the Administrator shall cause to be published the declarations containing the names of the elected candidates in such manner as he thinks fit.

62. **Date of election of candidate.**—For purposes of these rules the date of declaration of his result under rule 31 or 32 or 33 or 60 shall be the date of election of the candidate.

63. **Return by the returning officer.**—The returning officer shall prepare and certify a return in Form XII setting forth:—

- (1) the names of the candidates for whom valid votes have been given,
- (2) the number of valid votes given for each candidate,
- (3) the number of votes declared invalid,
- (4) the number of tendered votes, and
- (5) the name of the candidate elected.

He shall also permit any candidate or his election or counting agent to take a copy of an extract from such return.

64. **Custody of the return and of the ballot boxes and papers relating to election.**—(1) The returning officer shall, after reporting the result of the election under rule 61 forward the return to the chief electoral officer.

(2) All ballot boxes used at the election shall be kept in such custody as the chief electoral officer may direct.

(3) The returning officer shall keep in his own custody the packets of ballot papers and all other papers relating to the election.

65. **Production and inspection of election papers.**—(1) While in the custody of the returning officer the packets of used ballot papers, whether valid, rejected or tendered, the packets of unused ballot papers, and the packets of the marked copies of the electoral roll, shall not be opened and their contents shall not be inspected by, or produced before, any person or authority except under the order of a competent Court.

(2) All other papers relating to the election shall be open to public inspection subject to such conditions and to the payment of such fee, if any, as the Administrator may direct.

(3) Copies of the returns by the returning officers forwarded under rule 64 shall be furnished by the chief electoral officer on payment of a fee of two rupees for each such copy.

66. Disposal of election papers.—Subject to any direction to the contrary given by the chief electoral officer or by a competent Court—

- (a) the packets of unused ballot papers shall be retained for a period of six months and shall thereafter be placed at the disposal of the chief electoral officer;
- (b) the other packets referred to in rule 65 shall be retained for a period of one year and shall thereafter be destroyed;
- (c) all other papers relating to the election shall be retained for such period as the chief electoral officer may direct.

PART IV—DISPUTES REGARDING ELECTIONS

CHAPTER I—INTERPRETATION

67. Definitions.—In this Part, unless the context otherwise requires,—

- (a) 'candidate' means a person who has been or claims to have been duly nominated as a candidate at any election and any such person shall be deemed to have been a candidate as from the time when, with the election in prospect, he began to hold himself out as a prospective candidate;
- (b) 'costs' means all costs, charges and expenses of, or incidental to, a trial of an election petition;
- (c) 'electoral right' means the right of a person to stand or not to stand as, or to withdraw from being, a candidate, or to vote or refrain from voting at an election;
- (d) 'pleader' means any person entitled to appear and plead for another in a civil court and includes an advocate, a vakil and an attorney of a High Court;
- (e) 'returned candidate' means a candidate who has been declared elected by the returning officer.

CHAPTER II—ELECTION PETITIONS

68. Additional contents of petition.—(1) Where the petitioner alleges any corrupt practice, an election petition shall, in addition to complying with the provisions of section 13 of the Act, also set forth full particulars of that corrupt practice including as full a statement as possible of the names of the parties alleged to have committed such corrupt practice and the date and place of the commission of each corrupt practice.

(2) Any schedule or annexure to the petition shall also be signed by the petitioner and verified in the same manner as the petition.

69. Petition to be dismissed.—If the provisions of section 13 of the Act or rule 78 are not complied with, the Court shall dismiss the petition:

Provided that the petition shall not be dismissed without giving the petitioner an opportunity of being heard.

70. Procedure before the court.—(1) As soon as the Court receives the petition it shall serve on each respondent a notice in such form as it thinks fit directing the respondent to appear before the Court and answer the claim made in the petition on a day to be specified therein. ?

(2) Any candidate not already a respondent shall, upon an application made by him to the Court within fourteen days from the date of commencement of the trial and subject to the provision of rule 78 be entitled to be joined as a respondent.

71. Appearance before the court.—Any appearance, application or act before the Court may be made or done by the party in person or by a pleader duly appointed to on his behalf:

Provided that it shall be open to the Court to direct any party to appear in person whenever the Court consider it necessary.

72. Powers of the court.—The Court shall have the powers which are vested in a civil court when trying a suit in respect of the following matters:—

- (a) discovery and inspection;
- (b) enforcing the attendance of witnesses, and requiring the deposit of their expenses;
- (c) compelling the production of documents;
- (d) examining witnesses on oath;
- (e) granting adjournments;
- (f) reception of evidence taken on affidavit; and
- (g) issuing commissions for the examination of witnesses.

73. Documentary evidence.—Notwithstanding anything contained in any other law to the contrary no document shall be inadmissible in evidence at the trial of an election petition on the ground that it is not duly stamped or registered.

74. Secrecy of voting not to be infringed.—No witness or other person shall be required to state for whom he has voted at an election.

75. Order as to costs.—The Court may, while making an order under section 17 of the Act, also fix thereby the total amount of costs payable and specify the persons to whom the costs shall be paid.

76. Grounds on which an election may be called in question.—The election a returned candidate may, besides being called in question on any one or more of the grounds specified in section 15 of the Act, also be called in question on the ground:—

- (a) that any corrupt practice has been committed by a returned candidate or his election agent or by any other person with the consent of a returned candidate or his election agent; or
- (b) that the result of the election, in so far as it concerns a returned candidate, has been materially affected by any corrupt practice committed in the interests of the returned candidate by a person other than that candidate or his election agent or any other person with the consent of a returned candidate or his election agent:

Provided that if in the opinion of the Court, a returned candidate has been guilty by an agent other than his election agent, of any corrupt practice but the Court is satisfied—

- (a) that no such corrupt practice was committed at the election by the candidate or his election agent, and every such corrupt practice was committed contrary to the orders, and without the consent, of the candidate or his election agent;

- (b) that all such corrupt practices were of a trivial and limited character or took the form of customary hospitality which did not affect the result of the election;
- (c) that the candidate and his election agent took all reasonable means for preventing the commission of corrupt practices at the election; and
- (d) that in all other respects the election was free from any corrupt practice on the part of the candidate or any of his agents;

then, the Court may decide that the election of the returned candidate is not void.

77. **Communication of order to the administrator and transmission of the records of the case.**—The Court shall, after announcing the order made by it under section 17 of the Act send a copy of the order and the records of the case to the Administrator.

78. **Deposit of security.**—(1) The petitioner shall enclose with the petition a Government Treasury receipt showing that a deposit of two hundred and fifty rupees has been made by him in a Government Treasury in favour of the Secretary to the Administrator in the appropriate department as security for the costs of the petition.

(2) No person shall be entitled to be joined as a respondent unless he has given such security for costs as the Court may direct.

79. **Costs.**—Costs, including pleader's fee, shall be in the discretion of the Court and shall be paid out of the security deposit provided for in rule 78.

PART V—CORRUPT PRACTICES AND ELECTORAL OFFENCES

CHAPTER I—CORRUPT PRACTICES

80. **Corrupt practices.**—The following shall be deemed to be corrupt practices for the purposes of these rules—

- (1) Bribery, that is to say, any gift, offer or promise by a candidate or his agent or by any other person of any gratification to any person whomsoever with the object, directly or indirectly, of inducing—
 - (i) a person to stand or not to stand as, or to withdraw from being, a candidate or to retire from contest at an election ; or
 - (ii) an elector to vote or refrain from voting at an election,
 - (iii) an elector to vote or refrain from voting at an election, or as regard to—
 - (a) a person for having so stood or not stood, or for having withdrawn his candidature, or for having retired from contest; or
 - (b) an elector for having voted or refrained from voting.

Explanation.—For the purposes of this clause the term 'gratification' is not restricted to pecuniary gratifications or gratifications estimable in money, and it includes all forms of entertainment and all forms of employment for reward.

(2) Undue influence, that is to say, any direct or indirect interference or attempt to interfere on the part of a candidate or his agent or of any other person with the free exercise of any electoral right:

Provided that—

(i) without prejudice to the generality of the provisions of this clause any such person as is referred to therein who—

- (a) threatens any candidate or any elector or any person in whom a candidate or any elector is interested, with injury of any kind including social ostracism and excommunication or expulsion from any caste or community; or
- (b) induces or attempts to induce a candidate or an elector to believe that he, or any person in whom he is interested, will become or will be rendered an object of divine displeasure or spiritual censure;

shall be deemed to interfere with the free exercise of the electoral right of such candidate or elector within the meaning of this clause;

(ii) a declaration of public policy or a promise of public action, or the mere exercise of a legal right without intent to interfere with an electoral right, shall not be deemed to be interference within the meaning of this clause.

(3) The systematic appeal by a candidate or his agent or by any other person, to vote or refrain from voting on grounds of caste, race, community or religion or the use of, or appeal to, religious symbols, or the use of or appeal to, national symbols, such as the national flag or the national emblem, for the furtherance of the prospects of that candidate's election.

(4) The publication by a candidate or his agent or by any other person of any statement of fact which is false, and which he either believes to be false or does not believe to be true, in relation to the personal character or conduct of any candidate or in relation to the candidature, or withdrawal, or retirement from contest, of any candidate, being a statement reasonably calculated to prejudice the prospects of that candidate's election.

(5) The hiring or procuring, whether on payment or otherwise, of any vehicle or vessel by a candidate or his agent or by any other person, for the conveyance of any elector (other than the candidate himself, the members of his family or his agent) to or from any polling station:

Provided that the hiring of a vehicle by an elector or by several electors at their joint costs for the purpose of conveying him or them to and from any such polling station shall not be deemed to be a corrupt practice under this clause if the vehicle or vessel so hired is vehicle or vessel not propelled by mechanical power:

Provided further that the use of any public transport vehicle or vessel or any tramcar or railway carriage by an elector at his own cost for the purpose of going to or coming from any such polling station shall not be deemed to be a corrupt practice under this clause.

Explanation.—In this clause the expression "vehicle" means any vehicle used or capable of being used for the purpose of road transport, whether propelled by mechanical power or otherwise and whether used for drawing other vehicles or otherwise.

(6) The obtaining or procuring or abetting or attempting to obtain or procure by a candidate or his agent or, by any other person, any assistance (other than the giving of vote) for the furtherance of the prospects of that candidate's election, from any person in the service of the Government and belonging to any of the following classes, namely—

- (a) gazetted officers;

- (b) stipendiary judges and magistrates;
- (c) members of the armed forces of the Union;
- (d) members of the police forces;
- (e) excise officers;
- (f) revenue officers including village accountants, such as, patwaris, lekhpal, talatis, karnams and the like, but excluding other village officers; and
- (g) such other class of persons in the service of the Government as may be notified by the Administrator.

Explanation.—(1) In this rule the expression “agent” includes as election agent, a polling agent and any person who is held to have acted as an agent in connection with the consent of the candidate.

(2) For purposes of clause (6), a person shall be deemed to assist in the furtherance of the prospects of a candidate’s election if he acts as an election agent or a polling agent or a counting agent of that candidate.

CHAPTER II—ELECTORAL OFFENCES

81. Public meetings on the election day.—(1) No persons shall convene or hold or attend any public meeting within any polling area on the date or dates on which a poll is taken for an election in that polling area.

(2) Any person who contravenes the provisions of sub-rule (1) shall be punishable with fine which may extend to one hundred rupees.

82. Disturbances at election meetings.—(1) Any person who at a public meeting to which this rule applies, acts, or incites others to act, in a disorderly manner for the purpose of preventing the transaction of the business for which the meeting was called, shall be punishable with fine which may extend to one hundred rupees.

(2) This rule applies to any public meeting of a political character held in any constituency between the date of the issue of a notification calling upon the constituency to elect a member or members and the date on which such election is held.

(3) If any police officer reasonably suspects any person of committing an offence under sub-rule (1), he may, if requested so to do by the chairman of the meeting, require that person to declare to him immediately his name and address and, if that person refuses or fails so to declare his name and address, or if the police officer reasonably suspects him of giving a false name or address, the police officer may arrest him without warrant.

83. Maintenance of secrecy of voting.—(1) Every officer, clerk, agent or other person who performs any duty in connection with the recording or counting of votes at an election shall maintain, and aid in maintaining, the secrecy of the voting and shall not (except for some purpose authorised by or under any law) communicate to any person any information calculated to violate such secrecy.

(2) Any person who contravenes the provisions of sub-rule (1) shall be punishable with fine which may extend to one hundred rupees.

84. Officers, etc. at elections not to act for candidates or to influence voting.—(1) No person who is in the service of the Government whether or not connected with the conduct or management of the election, shall do any act (other than the giving of vote) for the furtherance of the prospects of the election of a candidate.

(2) No such person as aforesaid, shall endeavour—

- (a) to persuade any person to give his vote at an election, or
- (b) to dissuade any person from giving his vote at an election, or
- (c) to influence the voting of any person at an election in any manner.

(3) Any person who contravenes the provisions of sub-rule (1) or sub-rule (2) shall be punishable with fine which may extend to one hundred rupees.

85. Canvassing in or near polling stations.—(1) No person shall on the date or dates on which a poll is taken at any polling station commit any of the following acts within the polling station or in any public or private place within a distance of one hundred yards of the polling station, namely:—

- (a) canvassing for votes; or
- (b) soliciting the vote of any elector; or
- (c) persuading any elector not to vote for any particular candidate; or
- (d) persuading any elector not to vote at the election; or
- (e) exhibiting any notice or sign (other than an official notice) relating to the election.

(2) Any person who contravenes the provisions of sub-rule (1) shall be punishable with fine which may extend to one hundred rupees.

86. Disorderly conduct in or near polling stations.—(1) No person shall, on the date or dates on which a poll is taken at any polling station,

- (a) use or operate within or at the entrance of the polling station, or in any public or private place in the neighbourhood thereof, any apparatus for amplifying or reproducing the human voice, such as a megaphone or loudspeaker, or
- (b) shout, or otherwise act in a disorderly manner, within or at the entrance of the polling station or in any public or private place in the neighbourhood thereof,

so as to cause annoyance to any person visiting the polling station for the poll, or so as to interfere with the work of the officers and other persons on duty at the polling station.

(2) Any person who contravenes or wilfully aids or abets the contravention of the provisions of sub-rule (1) shall be punishable with fine which may extend to one hundred rupees.

(3) If the presiding officer of a polling station has reason to believe that any person is committing or has committed an offence punishable under this rule, he may direct any police officer to arrest such person, and thereupon the police officer shall arrest him.

(4) Any police officer may take such steps, and use such force, as may be reasonably necessary for preventing any contravention of the provisions of sub-rule (1), and may seize any apparatus used for such contravention.

87. Penalty for misconduct at the polling station.—(1) Any person who during the hours fixed for the poll at any polling station misconducts himself or fails to obey the lawful directions of the presiding officer may be removed from the polling station by the presiding officer or by any police officer on duty or by any person authorised in this behalf by such presiding officer.

(2) The powers conferred by sub-rule (1) shall not be exercised so as to prevent any elector who is otherwise entitled to vote at a polling station from having an opportunity of voting at that station.

(3) If any person who has been so removed from a polling station re-enters the polling station without the permission of the presiding officer, he shall be punishable with fine which may extend to one hundred rupees.

88. **Penalty for illegal hiring or procuring of conveyances at elections.**—If any person is guilty of any such corrupt practice as is specified in clause (5) of rule 80 at or in connection with an election, he shall be punishable with fine which may extend to one hundred rupees.

89. **Breaches of official duty in connection with elections.**—(1) If any person to whom this rule applies is without reasonable cause guilty of any act of omission in breach of his official duty he shall be punishable with fine which may extend to one hundred rupees.

(2) No suit or other legal proceedings shall lie against any such person for damages in respect of any such act or omission as aforesaid.

(3) The persons to whom this rule applies are the returning officers, assistant returning officers, presiding officers, polling officers and any other person appointed to perform any duty in connection with the receipt of nominations, or withdrawal of candidature, or the recording or counting of votes at an election; and the expression 'official duty' shall for the purposes of this rule be construed accordingly, but shall not include duties imposed otherwise than under these rules.

90. **Removal of ballot papers from polling station.**—(1) Any person who at any election fraudulently takes or attempts to take, a ballot paper out of polling station, or wilfully aids or abets the doing of any such act, shall be punishable with fine which may extend to one hundred rupees.

(2) If the presiding officer of a polling station has reason to believe that any person is committing or has committed an offence punishable under sub-rule (1), such officer may, before such person leaves the polling station arrest or direct a police officer to arrest such person and may search such person or cause him to be searched by a police officer:

Provided that when it is necessary to cause a woman to be searched, the search shall be made by another woman with strict regard to decency.

(3) Any ballot paper found upon the person arrested on search shall be made over for safe custody to a police officer by the presiding officer, or when the search is made by a police officer, shall be kept by such officer in safe custody.

91. **Other offences.**—(1) A person shall be guilty of an electoral offence if at any election he—

- (a) fraudulently defaces or fraudulently destroys any nomination paper; or
- (b) fraudulently defaces, destroys or removes any list, notice or other document affixed by or under the authority of a returning officer, or
- (c) fraudulently defaces or fraudulently destroys any ballot paper or the distinguishing mark on any ballot paper; or
- (d) without due authority supplies any ballot paper to any person; or receives any ballot paper from any person or is in possession of any ballot paper; or
- (e) fraudulently puts into any ballot box anything other than the ballot paper which he is authorised by law to put in; or
- (f) without due authority destroys, takes, opens or otherwise interferes with any ballot box or ballot papers then in use for the purpose of the election;
- (g) fraudulently or without due authority, as the case may be, attempts to do any of the foregoing acts or wilfully aids or abets the doing of any such acts.

(2) Any person guilty of an electoral offence under this rule shall be punishable with fine which may extend to one hundred rupees.

PART IV—MISCELLANEOUS

92. **Casual vacancies in the Territorial Council.**—When the seat of a member elected to the Territorial Council becomes vacant or when his election to that Council is declared by the Court to be void but no order is made by the Court declaring any other candidate to have been duly elected to that seat, the Administrator shall, by a notification published in such manner as he thinks fit, call upon the constituency concerned to elect a person for the purpose of filling the vacancy so caused before such date as may be specified in the notification, and the provisions of these rules shall apply, as far may be, in relation to the election of a member to fill such vacancy.

93. **Extension of time for completion of Election.**—It shall be competent for the Administrator for reasons which he considers sufficient to extend the time for the completion of any election by making necessary amendments in the notification issued by him under rule 12.

94. **Staff of every local authority to be made for election work.**—Every local authority in a Union Territory shall, when so requested by the chief electoral officer, make available to any returning officer such staff as may be necessary for the performance of any duties in connection with an election.

SCHEDULE

FORM I

Nomination Paper

(See rule 14)

Election to the Territorial Council of.....from the.....constituency.

(To be filled by the proposer)

I hereby nominate.....as a candidate for election from the.....Territorial
Council constituency.

1. Full name of proposer.....

2. *Electoral roll number of proposer.....

3. Name of candidate's **father/husband.....

4. Full postal address of candidate.....

5. *Electoral roll number of candidate.....

Date.....

Signature of proposer.

(To be filled by the candidate)

I, the above-mentioned candidate, assent to this nomination and hereby declare—

- (a) that I have completed..... years of age;
- (b) that the following are the symbols I have chosen in order of preference—
- (i)
- (ii)
- (iii)

Date.....

Signature of candidate

*Here insert:—

- (i) the name of the Territorial Council constituency;
- (ii) the serial number of the part of the electoral roll in which the name of the proposer or the candidate, as the case may be, has been entered: and
- (iii) the serial number of the entry in that part.

Illustration.—

Agartala Sadar III Territorial Council constituency;

Part 3;

No. 267.

*Strike off the inappropriate alternative.

(To be filled by the returning officer)

Serial No. of nomination paper.....

This nomination was delivered to me at my office at.....(hours)
on.....(date) by the **candidate/proposer.

Date.....

Returning Officer.

Decision of returning officer accepting or rejecting the nomination paper.

I have examined this nomination paper in accordance with rule 18 of the Territorial Councils (Election of Members) Rules, 1957 and decide as follows:—

Returning Officer.

Receipt for Nomination Paper and Notice of Security.

(To be handed over to the person presenting the nomination paper)

Serial No. of nomination paper.....

The nomination paper of..... a candidate for election from the Territorial Council constituency was delivered to me at my office at.....(hour) on.....(date) by the **candidate/proposer. All nomination papers will be taken up for scrutiny at.....(hour) on.....(date) at.....(place).

Date.....

Returning Officer.

FORM II

Notice of Withdrawal

(See rule 19)

Election to the Territorial Council of..... from the constituency.

To

The Returning Officer,
..... Constituency.

I,, a candidate nominated at the above election do hereby give notice that I withdraw my candidature.

Place.....

Date.....
This notice was delivered to me at my office at.....(hour) on.....(date) by.....(name) the†.....

Date.....

Signature of candidate.

Returning Officer.

Receipt for Notice of Withdrawal

(To be handed over to the person delivering the notice)

The notice of withdrawal of candidature by....., a candidate at the election to the Territorial Council of.... from the..... constituency was delivered to me by the†..... my office at.....(hour) on.....(date).

Returning Officer.

**Strike off one of the alternatives as necessary.

†Here insert one of the following alternatives as may be appropriate:—

- (1) Candidate.
- (2) Candidate's proposer who has been authorised in writing by the candidate to deliver it.
- (3) Candidate's election agent who has been authorized in writing by the candidate to deliver it.

FORM III

Appointment of election Agent

(See rule 21)

Election to the Territorial Council of..... from the..... constituency.

To

The Returning Officer,

..... constituency

I,, of, a candidate at the above election, do hereby appoint..... of

as my election agent from this day at the above election.

Place.....

Date.....

Signature of candidate.

I accept the above appointment.

Place.....

Date.....

Signature of election agent.

FORM IV

Revocation of Appointment of Election Agent
(See rule 22)

Election to the Territorial Council of.....from the.....constituency.

To
The Returning Officer,
.....constituency.

I.....a candidate at the above election, hereby revoke the appointment of.....my election

agent.

Place.....

Date.....

Signature of candidate.

FORM V

Appointment of Polling Agent
(See rule 24)

Election to the Territorial Council of.....from the.....constituency.

I.....a *candidate/the election agent of.....who is a candidate at the above election do hereby
appoint.....of.....as a polling agent to attend polling station No.....at.....

Place.....

Date.....

Signature of *candidate/election agent.

*Strike off the inappropriate alternative.

I agree to act as such polling agent.

Place.....

Signature of polling agent.

Declaration of polling agent to be signed before Presiding Officer.

I hereby declare that at the above election I will not do anything forbidden by rule 83† of the Territorial Councils
(Election of Members) Rules, 1957, which *I have read/has been read over to me.

Date.....

Signed before me.

Presiding Officer.

*Strike off the inappropriate alternative.

Rule 83 of the Territorial Councils (Election of Members) Rules, 1957.

"83. Maintenance of secrecy of voting.—(1) Every officer, clerk, agent or other person who performs any duty
in connection with the recording or counting of votes at an election shall maintain, and aid in maintaining, the secrecy of
the voting and shall not (except for some purpose authorised by or under any law) communicate to any person any
information calculated to violate such secrecy.(2) Any person who contravenes the provisions of sub-rule (1) shall be punishable with fine which may extend to
one hundred rupees."

FORM VI

Appointment of Counting Agent
(See rule 25)

Election to the Territorial Council of.....from the.....constituency.

To
The Returning Officer,
.....Constituency.I.....*a candidate/the election agent of.....who is a candidate at the above election, do
hereby appoint.....(name).....of.....(address) as one of my counting agents to attend the counting
of votes at.....

Signature of *candidate/election agent.

I agree to act as such counting agent.

Place.....

Date.....

Signature of Counting Agent.

Declaration of Counting Agent
(To be signed before the Returning Officer)I hereby declare that at the above election I will not do anything forbidden by rule 83† of the Territorial
Councils (Election of Members) Rules, 1957, which *I have read/has been read over to me.

Signature of Counting Agent.

Date.....

Signed before me.

Date.....

Returning Officer.

*Strike off the inappropriate alternative.

†Rule 83 of the Territorial Councils (Election of Members) Rules, 1957.

"83. Maintenance of secrecy of voting.—(1) Every officer, clerk, agent or other person who performs any duty
in connection with the recording or counting of votes at an election shall maintain, and aid in maintaining, the secrecy
of the voting and shall not (except for some purpose authorised by or under any law) communicate to any person any
information calculated to violate such secrecy.

FORM XI
List of challenged votes
(See rule 52)

Election to the Territorial Council of from the constituency
 Polling station.....

Serial number of entry	Name of elector	Serial number of Part of roll	Elector's name in that part	Signature or thumb impression of the person challenged	Address of the person challenged	Name of identifier, if any	Name of challenger	Order of Presiding officer	Signature of challenger on receiving refund of deposit
1	2	3	4	5	6	7	8	9	10

Date

Signature of Presiding Officer.

FORM XII
Return of Election
(See rule 63)

Election to the Territorial Council of from the Constituency.
 Return of Election

S. No.	Name of Candidate	Number of valid votes polled

Total number of valid votes polled

*Total number of rejected votes

Total number of tendered votes

I declare that:

(_____) (name)
of _____ (address)has been duly elected to fill the seat reserved for the scheduled castes.]
(and)

[_____) (name) of _____ (address) has been duly elected/elected to fill the remaining seat.]

Place.....

Date.....

Omit the words marked () as necessary.

RETURNING OFFICER

[No. F. 26/2/57-SR (R).]
R. C. DUTT, Jt. Secretary.

LATE RECEIVED

PART 2

AGRICULTURE DEPARTMENT

NOTIFICATION

Simla-4, the 25th January, 1957

No. Agr. 5-621/55.—Shri B.H. Patil, Assistant Botanist-Agronomist, Daula Kuan Farm, Sirmur district is hereby granted 27 days earned leave with effect from 21-1-1957 to 16-2-1957 subject to the verification of title of leave.

L. S. NEGI,
Director.

MEDICAL DEPARTMENT

NOTIFICATION

Simla-4, the 25th January, 1957

No. M. 61-45/50.—In supersession of this Administration Notification of even number, dated the 30th July, 1956 Dr. Jyoti Prashad, Civil Assistant Surgeon Class 1 (G) Medical Officer, Civil Hospital, Nahan is granted 60 days earned leave with effect from 1st August, 1956 (A.N.).

DEVI CHAND,
Director.

PART 5

OFFICE OF THE
CONTROLLER, PRINTING AND STATIONERY,
HIMACHAL PRADESH, SIMLA

TENDER NOTICE

Tenders are invited from Manufacturing concerns or their representatives for the supply of Stationery Stores for use of the Himachal Pradesh Administration Offices. Tender forms containing full details can be obtained against an advance of Rs. 4 (Rs. four only) per tender form by the 15th February, 1957, from the office of the Controller of Printing and Stationery, Himachal Pradesh, Simla-3.

OFFICE OF THE DIVISIONAL FOREST OFFICER,
SUKET FOREST DIVISION,
P. O. SUNDER NAGAR, DISTRICT MANDI

AUCTION NOTICE

Six Slate quarries in Suket Forest Division and a Contract for sale of fuel and charcoal at Sundernagar town will be sold by Public Auction to be held on 18th February, 1957, at Sundernagar.

2. 25 per cent of the sale price will be realized immediately on fall of hammer.

3. Conditions of sale will be announced at spot. Production of Income Tax clearance certificate is essential.

SATYA VRAT, P.F.S.I.,
Divisional Forest Officer.